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NEWS SUMMARY

GENERAL

Detente still our goal —Carter

President Carter said yesterday that detente with the Soviet Union remained his goal.

But in a speech which raised the possibility of further arms talks with Moscow, he said there could be no business as usual until the Soviet Union had ended its act of aggression in Afghanistan.

Mr. Carter's speech in Philadelphia was his first public speaking engagement since the U.S. diplomats were seized in Tehran in November. Back Page

Thatcher warns

Margaret Thatcher told Conservatives in Scotland that there would be no early reduction in interest rates in spite of industry's problems. Back Page

Bridge crash

At least 17 people died when a Liberian oil tanker crashed into a bridge over Tampa Bay, Florida, sending a large section plunging into the water, along with a bus, a truck and three cars.

China missile test

China is to conduct a missile test from the mainland into an area close to the newly-independent nation of Tuvalu in the South Pacific between May 12 and June 10. Page 2

Peach injury

Home Office pathologist said Blair Peach's skull was unusually thin at the point it was hit. He told the inquest at Hammersmith that the fatal injury could have been caused by a police radio.

Mass funeral

Mass funeral of 120 victims of the Tenerife air disaster, in which 146 passengers and crew of a Dan-Air jet died, will be held in Manchester on Monday. The cost will be borne by Dan-Air and Lloyd's of London.

Print talks

Print union leaders and employers met in an effort to find a solution to the eight-week craftsmen's pay dispute. Page 6

Morocco drive

Morocco launched a major drive with 10,000 troops backed by planes and armour against Polisario guerrillas.

Three arrested

Three civilians have been charged with inciting others to rob as a result of the Operation Countryman probe into allegations of London police corruption.

Safety probe

Health Minister Gerard Vaughan announced a new safety investigation oft he Dalkon Shield contraceptive after reports that women have been suffering septic abortions from using it.

Fraud charge

Property dealer Ernest Wolfang Brauch, 47, who left Britain in 1976 while awaiting trial on fraud charges, was remanded in custody at the Old Bailey. He was arrested in the U.S. on Thursday by London detectives.

Briefly . . .

Armed Sicilian bandits for the second time in a week hijacked and robbed a busload of French tourists in Palermo.

East Berlins' comic opera company returned from a tour of West Germany minus four musicians and a wardrobe assistant wh defected.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

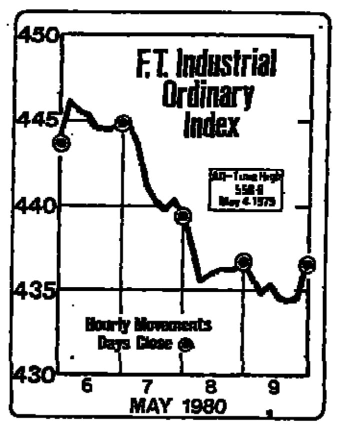
BUSINESS

$ rallies; Equities improve late

● DOLLAR fluctuated in quiet trading before rallying to close at DM 1.8130 (DM 1.7930). Its trade-weighted index was 86.1 (85.9). STERLING lost 1.83c to close at $2.2675, and its index was 73.0 (73.3). Page 29

● GOLD fell $4 in London to $512.5. Page 29

● EQUITIES trade was quiet, but hardened after the official close. The FT 30-share index,



off 2.2 at 2 pm, closed only 0.2 down at 436.5 for a fall on the week of 7.1. Page 30

● GILTS market was cautious, and the Government Securties index fell 0.07 to 67.47. Page 30

● WALL STREET was 8.28 down at 806.91 before the close. Page 24

● LLOYDS BANK board plans to change its articles of association to give every shareholders one vote per share. Back Page

● CBS, the U.S. entertainment group, announced the resignation of its 47-year-old president, John D. Backe. Back Page

● NEW CAR sales in April dropped 29.74 per cent against the same month last year from 161,796 to 114,677. Page 4

● STRIKE at Talbot's Linwood car plant in Scotland which stopped production and led to 3,000 lay-offs was called off. Page 6

● COURTAULDS is to stop making viscose staple fibre at its Carrickfergus plant in Northern Ireland, with the loss of 562 jobs. Page 3

● BASSETTI, UK subsidiary of Europe's biggest textile company, is to move into the British soft furnishing market. Page 4

ENERGY

● BRITISH GAS is to apply for outline planning permission to build three plants in Scotland at a total estimated cost of about £1bn. Two of the proposed plants would be on land owned by Dow Chemical of the U.S. Page 3. SIEBENS Oil and Gas, the independent exploration company, is to receive up to £15m from Dow in a loan-and-grant package which will establish the two as partners in North Sea oil development. Page 22

● BNOC is to increase its supplies of North Sea oil to British Petroleum over the next two years under a new agreement

● TWO OIL groups announced big first-quarter pre-tax profits. Ultramar advanced £19.3m to £31.5m, and Tricentrol was £8.53m ahead at £11.73m. Page 22 and Lex, Back Page; Senior executive change at Ultramar Page 23

COMPANIES

● GRAND METROPOLITAN will stop supplying J and B Scotch whisky to Paddington Corporation, its U.S. distributor, if control of Paddington passes from Liggett, the U.S. tobacco and drinks group, to Standard Brands, another U.S. food group. Back Page

● PHILIPS, the Dutch electrical group, raised sales value and volume in the first quarter, but net profits were only Fl 1m ahead at Fl 163m (£35.93m). Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 3pc 1982	£88⅞	+ ⅛
Excheq. 3pc 1984	£72⅛	+ ⅛
Assd. Fisheries	75	+ 3
British Sugar	186	+ 5
Dunlop	67	+ 4
Hall Bros. Stmshp.	175	+ 7
Ladbroke	150	+ 6
Polly Peck	41	+ 4
Wadkin	100	+ 5
Aran Energy	370	+ 18
Berkeley Expl.	177	+ 12
Clyde Pet.	547	+ 32
Selection Trust	645	+ 21
Southern Malayan	395	+ 35

FALLS		
Bilton (P.)	218	− 17
Brocks	25	− 5
Centreway Tst.	124	− 11
Distillers	198	− 4
Hambros	393	− 6
Kitchen Queen	13	− 2
Moss Bros.	255	− 10
Mothercare	242	− 6
Sothebys	433	− 7
Siebens (UK)	815	− 25
Ultramar	668	− 12

More reject TUC call to support 'day of action'

BY NICK GARNET AND CHRISTIAN TYLER

LARGE numbers of trade unionists decided yesterday not to heed the TUC's call for a day of protest on Wednesday against Government policies. The print union, NATSOPA, however, publicly confimed its disobedience of a High Court injunction designed to secure publication of national newspapers on May 14.

Thousands of railworkers told the management that they intend to report for work, and British Rail's five regions are all expecting to operate some services.

The Union of Post Office Workers has instructed its members to work normally on May 14, largely because of the union's special vulnerability to legal action under the Post Office Act.

Although the union has advised its members to co-operate with other Post Office unions in demonstrations, Mr. Tom Jackson, its general secretary and past TUC president, said yesterday that members had ben told not to disrupt the post.

A further rebuff to the TUC was delivered at mass meetings of workers at Leyland Vehicles' Bathgate and Albion plants in Scotland, and at Lucas in Birmingham which voted not to strike.

Mr. James Prior, Employment Secretary, said workers' decisions showed that once again union leaders were out of touch with their members, and pre-occupied with political issues.

"They have seriously misjudged the mood of the country and the sense of national pride," he told the Scottish Conservative conference in Perth.

Mrs. Margaret Thatcher also said at the end of the conference that the TUC should call the protest off. But trade union officials and employers in a number of industries are still predicting widespread disruption.

The National Union of Seaman's executive council yesterday endorsed a recommendation from Mr. Jim Slater, general secretary, to hold up all UK ships in British ports on Wednesday.

The union is urging its 30,000 members in Britain not to report for work. Mr. Slater said ferry services to the Continent were likely to be severely disrupted.

British Rail, which sent a questionnaire to 180,000 employees, asking if they intended to report for work on Wednesday said almost half had replied and a majority said they wanted to work.

But if signalmen and other vital staff stay at home, whole routes would be put out of action.

Meanwhile NATSOPA confirmed its executive council's decision not to obey a High Court injunction, by sending out yesterday a circular to all its chapels (office branches) urging them to support the day of action.

Continued on Back Page
Labour news, Page 6

Eight groups seek right to run breakfast TV

BY ARTHUR SANDLES

EIGHT groups are seeking to operate a national breakfast television service in Britain and have submitted proposals to the Independent Broadcasting Authority.

The most popular of the other franchises, available when present contracts expire at the end of 1981, has proved to be for the South and South East. The present incumbent, Southern Television, faces counter-proposals from six rival groups.

The number of applications—44 in all—was higher than expected. In several areas, including the Midlands held at present by ATV Network, a subsidiary of Lord Grade's Associated Communications, existing contractors face two rival bids.

There was a rush of last-minute submissions for the 16 television franchises ahead of yesterday's midday deadline. The contracts are seven years.

The breakfast franchise was introduced by the IBA as a possible service if there was evidence that it would work.

evidence that it would work. Yesterday Mr. Bryan Cowgill, managing director of Thames Television, said he thought it would be awarded. Even if it were not, Thames would go ahead itself.

Thames, the London weekday contractor, and London Weekend Television face rival bids from Mr. Hughie Green whose applications are under the banner of London Independent Television.

Only three of the present contractors—Border, Grampian and Channel—find themselves unopposed. Yorkshire Television's rival is a group representing some of its own staff and headed by one of its own former senior executives, Mr. Donald Baverstock.

Mr. Alan Whicker, the TV personality, Mr. Mike Brealey, England cricket captain, and Sir Leo Pliatzky, former permanent secretary at the Department of Trade, are in a group backed by Trafalgar House and Great Universal Stores in a bid for the breakfast contract. They face a challenge from Mr. David Frost, Mr. Michael Parkinson and Peter Jay who have Eastern Counties Newspaper and the Octopus Publishing Group among their backers.

Also bidding for this contract is a group headed by Lord Lever which includes Mr. Bert Hardy, a director of London Weekend Television and former chief executive of News International, Sir Claus Moser, chairman of Covent Garden, and journalists Mr. Jonathan Dimbleby and Mr. Peter Jenkins.

Further competition comes from the company chaired by Mr. Christopher Chataway and backed by the Pearson Longman group, of which the Financial Times is part.

Summaries of all applications will be available for public inspection later this month. Some have been published by the applicants themselves. Public comment will be invited on the applications.

Details, Page 3

Kitchen Queen suffers £2m loss

BY ANDREW FISHER

KITCHEN QUEEN, the problem-ridden furniture group, suffered an unexpectedly high £2m loss in the six months to February 29, the first half of its current financial year. It is taking drastic action to shore up its weakened finances. In January, it had been forecasting a £300,000 loss for the six months.

Yesterday's news that the Manchester-based company's losses would be a great deal higher was coupled with the announcement that a Manchester businessman, Mr. Stephen Boler, had agreed to pay £2.1m cash for the bulk of its retail operation. These assets have a £3.3m book value.

The retailing side lost about £1.5m in the six months, with the Di Lusso kitchen-furniture manufacturing division losing slightly more. Head-office costs took a further £100,000 or so, while Moben Home Improvements—which sells furniture direct to homes—made a £1.2m profit.

Mr. Leonard Morris, who became chairman of Kitchen Quen after its founder, Mr. Neville Johnson, left in a boardroom reorganisation in January, said yesterday the size of the losses began to emerge in audits a few weeks ago.

With Mr. Jim Bentham, he controlled Moben, which became part of Kitchen Queen last December in a deal worth more than £2m. The two men now own just over 28 per cent of Kitchen Queen, which went public late in 1978.

Mr. Morris said Mr. Boler was buying about 34 shops, the bulk of the retail operation, to combine with Wharf Mill Furnishers, a Lancashire company of which he recently acquired control.

"He is buying a cleaned-out situation which he can then develop," Mr. Morris said of Mr. Boler's proposed purchase. In addition, Kitchen Queen was trimming back Di Lusso's activities.

Contributing to the Di Lusso loss was a provision of around £500,000 for slow-moving and obsolete stock.

Kitchen Queen's bankers have said they will grant the extra undisclosed facilities asked for by the group.

The company's shares fell 2p to 13p yesterday on news of the heavy losses. This compares with 29p when it became public.

The Stock Exchange has been investigating what lay behind that sharp decline. Its files on Kitchen Queen remain open until it decides whether to start a full probe.

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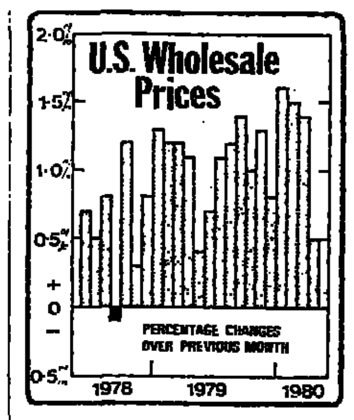

Small rise in U.S. wholesale prices

By David Lascelles in New York

WHOLESALE prices showed their smallest increase for nearly a year in April. However, this encouraging report on the inflation front came amid deepening gloom about economic prospects, and the first signs of a halt in the record decline in interest rates.

The Producer Price Index, which measures finished goods prices at the factory gate, rose by 0.5 per cent, seasonally adjusted, last month, from the 1.4 per cent March rise and the 1.5 per cent increase in February. The biggest factor in the change was a 2.8 per cent drop in food prices, which offset a 1.6 per cent rise in non-food goods.

Yesterday's figures, which the White House described as "good news," prompted the Commerce Department's chief economist to predict that consumer price rises could fall to the 9 to 10 per cent range by the end of the year, helped by falling mortgage rates.

However, these developments made little impact on either Wall Street or the business world.

The Business Council, which comprises top executives from many of the largest U.S. corporations, said the recession would last throughout this year and would be "about as severe as any in the post-war period except 74 to 75"—which was the worst.

Wall Street's euphoria over the fall in interest rates also evaporated yesterday after they showed signs of flattening and even rising again.

Short-term rates were up about half a point by midday, with three month Treasury bills back over 9 per cent after touching 8 per cent earlier this week.

The general feeling of unease was heightened when Citibank, the large New York bank which usually sets its prime rate on Friday mornings, stuck at 17½ per cent rather than following Chase Manhattan down to 17 per cent.

Volcker speech, Page 2

Libya threat to halt U.S. and UK oil

BY RICHARD JOHNS, MIDDLE EAST EDITOR

LIBYA IS "seriously thinking" about cutting oil supplies to the U.S. and the UK and withdrawing its financial assets from both countries, Col Muammar Gaddafy, the Libyan leader, said yesterday.

His warning was clearly relatde to the diplomatic confrontation with the U.S. and the U.K. over Libya's use of diplomatic privilege and cover in pursuit of Col. Gadafy's threat to "liquidate" Libyan exiles who refuse to return home.

Reporting his statement, the official news agency Jana said nothing about U.S. and British diplomatic efforts to curb the assassination campaign.

Its dispatch followed the U.S. order expelling four officials in Libya's mission in Washington, who have refused to leave, and came amid expectations that the UK would take similar action early next week.

At the swearing-in of Mr. Edmund Muskie, the new U.S. Secretary of State, President Jimmy Carter described the four men as "would-be assassins."

Britain has imported no oil from Libya this year. But the country accounts for about 8 per cent of U.S. oil imports, with supplies going in at the rate of 600,000 barrels a day, or 35 per cent of Libya's output.

U.S. owned or controlled companies (including Oasis, in which Shell has a minority share) account for almost two-thirds of Libyan output, which has been running at 1.7m barrels a day.

Libya's foreign assets are believed to be approaching about $10bn (£4.4bn), much of it invested through proxies.

The total is only a small proportion of the accumulated reserves of members of the Organisation of Petroleum Exporting Countries, and Col. Gaddify's threat to withdraw funds caused little concern in London.

The U.S. State Department yesterday announced a deadline of 4.30 pm local time for Tripoli to recall its four envoys.

There was no indication from Washington what the Government would do if Libya failed to respond. But officials spoke of tentative plans to prevent anyone from entering the building and to take into custody any officials leaving it.

In practice, the U.S. would have no choice but to close the premises, now termed by Tripoli a "people's bureau" rather than an embassy. It does not intend to break off diplomatic relations.

The remaining members of the U.S. mission in Tripoli, which was sacked and burned down last December, were withdrawn last week.

As the deadline approached the building was ringed with Federal Bureau of Investigation agents. After a meeting between Mr. David Newsom, Under-Secretary of State, and Mr. Ali el-Houeri, head of the mission, officials expresed hope that the impasse might still be broken.

The State Department believes there are about two dozen Libyan representatives at the mission. As a result of Col. Gaddafy's decision late last summer to put embassies in the charge of "people's bureaux," 10 or 11 of the officials in Washington neither have nor have sought diplomatic status.

The four Libyans singled out for expulsion are said to have been "intimidating" fellow countrymen resident in the U.S. The authorities have said they have been closely shadowed in the past two months by FBI agents.

Britain is expected to expel at least some of the 20 staff of the Libyan "people's bureau" in London, five or six of whom do not have diplomatic status.

The Government has apparently delayed action, partly in hope of a positive response to a warning given by Sir Anthony Acland, Deputy Under-Secretary at the Foreign Office, when he visited Tripoli last week, and subsequently contacts with Libyan representatives in London.

Another reason may have been to take all possible precautions against retaliation ordered by Col. Gaddafy.

Col. Gaddafy was also reported to have said he would demand "thousands of millions of dollars" from Britain, West Germany and Italy "as compensation for huge losses and damages incurred as a result of turning Libyan soil into "a field for international terrorism during the second world war for their own interests."

If compensation was not paid, Libya would confiscate "everything that might compensate us for our losses and damages."

Feature, Page 20

£ in New York

—	May 8	May 5
spot	$2.2835-2850	$2.2560-2580
1 month	1.14-1.50 dis	0.77-0.70 dis
3 months	3.25-3.15 dis	1.47-1.41 dis
12 months	6.50-6.30 dis	3.65-3.45 dis

كعكة من الاهرام

Japanese boost Iranian hopes for $35 oil price

BY PATRICK COCKBURN

JAPAN is believed to have authorised its oil companies to pay Iran's price of $35 a barrel for shipments of crude from April 1-20, according to oil industry officials in Tokyo and London.

Iran suspended all oil shipments to Japan on April 21 when 12 Japanese oil companies, purchasing 530,000 barrels a day of its crude, refused to pay a premium of $2.50 a barrel.

The Ministry of International Trade and Industry in Tokyo is reported to have told the companies secretly to pay the price for the 10.5m barrels of oil purchased by Japan between the time the premium was introduced and the cut-off of imports.

The Ministry has denied that approval to the companies has been given, but agreed that a conditional payment of the full $35 for oil already purchased was possible. Japanese oil companies involved deny, however, that such payment necessarily means any acceptance of the surcharge on future Iranian oil purchases.

Royal Dutch/Shell and BP, who were substantial purchasers of Iranian crude before April 20, are not currently talking to the National Iranian Oil Company, but express little surprise at the Japanese move.

If confirmed, it will increase Iranian confidence that in the long run the $35 a barrel price can be made to stick. The Japanese companies want to keep open the door for future purchases from Iran, which supplied 13 per cent of Japan's total imports.

In Iran the final round of voting in the National Assembly elections yesterday saw a low turn-out by voters. More than 170 deputies are still to be elected and results in Tehran will be announced within four days.

Meanwhilea a leader of the student militants holding the U.S. hostages has said that they will continue to be held to keep up revolutionary fervour in Iran. He added that some would be put on trial as spies, but that the timing of this would depend on the National Assembly now being elected.

John Wicks reports from Zurich: Economic sanctions against Iran will not work, the Iranian Foreign Minister, Mr. Sadeq Qotbzadeh, said in Zurich yesterday. He claimed that within days of the announcement of sanctions by the U.S. Government, some 1,200 U.S. companies had contacted Iranian embassies abroad to express their wish to continue trading.

Mr. Qotbzadeh unexpectedly accompanied his Swiss counterpart, Mr. Pierre Aubert, to Switzerland after they had met in Belgrade at President Tito's funeral. Switzerland represents U.S. interests in Tehran.

Anthony Robinson and David Tonge report from Belgrade: The Swiss talks follow a two-hour bargaining session in Belgrade between Mr. Qotbzadeh and Dr. Kurt Waldheim, the UN secretary-general.

Mr. Qotbzadeh is reportedly to have pressed Dr. Waldheim to release the UN report on the alleged crimes of the Shah's regime and American involvement in Iran which was prepared by the special mission which visited Tehran earlier this year. Dr. Waldheim insisted that the status of the hostages had to be changed before the report could be published.

The talks here and in Zurich are intended to be the first in a series involving the Foreign Ministers of Iran Switzerland and Algeria, which represents Iran in the U.S. The Algerian Minister had not been available in Belgrade, Mr. Qotbzadeh said.

Asked whether he was in a minority in Iran with his view on the hostage situation, Mr. Qotzbadeh said Washintgon had "reduced the force of my voice." Certain progress had been made until the latest U.S. moves, he said.

Tokyo will finance Soviet order

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE Government has decided to allow its Export and Import Bank to finance the sale of steel pipe to the Soviet Union for use in a Siberian natural gas project. The decision has been held up since the Russians sent troops into Afghanistan earlier this year.

But an apparent freeze on official financing was lifted after the West German government indincated that it would provide export insurance to back up private finance for a similar pipe sale to the Soviet Union.

Japan has sought to co-ordinate its stance on anti-Soviet economic sanctions with European countries. As it became evident that West German companies would be able to go ahead with pipe exports, pressure mounted to allow the Japanese deal, which was arranged before the Afghanistan crisis.

The Foreign Ministry insists that American approval, or lack of it, was not a factor.

Four leading Japanese steel companies, led by Nippon Steel, plan to sell 700,000 tonnes of large pipe to the Soviet Union this year. The size of the contract requires large medium-term credits for the Russians. It is believed that the Exim Bank loans could amount to as much as $350m.

The Exim Bank will now be free to negotiate with Moscow about the terms for such a credit.

Japan is also going ahead with an oil and gas exploration proect in the continental shelf off Siberia. The U.S. raised no obection to the shipment of U.S.-made drilling equipment needed for the project. Progress on another project in the Soviet Union—a large steel plant to be built jointly by Nippon Steel and Armco of the U.S.—has been halted because of the direct U.S. involvement.

Giscard pushes three-sided conference plan

By David White in Paris

PRESIDENT Valery Giscard d'Estaing yesterday sounded out heads of state and Ministers from 25 African countries on French proposals for preparing a triangular conference between European, Arab and African governments.

An outline of the plan—which the French hope will culminate in a three-sided top-level conference, perhaps before the end of next year—has already been put to Algeria and some other potential partners in the scheme.

In the face of grim forecasts for African economies presented at the two-day summit here, M. Giscard promised that France would be "an untiring advocate" of the continent's interests and would continue to play an active part in preparations for the relaunching of north-south negotiations.

For the Europe-Arab-African talks, the French have been working on a "charter of solidarity" which would serve as the basis for wide-ranging discussions. The French President made clear in a radio interview that France did not propose to bring defence questions into the talks.

OPEC supplies to West fall 2.5m barrels a day

BY TERRY DODSWORTH IN PARIS

OIL SUPPLIES from the Organisation of Petroleum Exporting Countries' member states fell by about 2.5m barrels a day last month compared with the West's average take in March, according to experts at the Paris-based International Energy Agency.

The reductions, which follow recent production cutbacks in Iran and other OPEC countries from a total of around 30m barels a day, are not causing serious anxiety at the IEA because of the general fall in demand for oil this year.

But the decline has been enough to take the slack out of the market and give new urgency to plans to stabilise demand among the 20 IEA members.

Representatives on the IEA governing Board, meeting in Paris yesterday, appeared hopeful that the finishing touches could be put to such a plan at the Ministerial meeting to be held later this month.

Broad agreement has been reached on the form of a scheme to monitor and adjust import ceilings among IEA members, which will make it easier to control supply and demand and discipline future consumption. Ministers still have to put their authority behind the plan, which could be introduced at the end of this year.

The scheme has ben under discussion for some time as part of a plan—strongly supported by the U.S.—to set firm and restrictive oil import targets for the consuming countries up to 1985. Although the project previously ran into considerable opposition from soe delegations who felt that concrete targets would signal the West's buying intentions too clearly to the OPEC countries, it now seems to have won general acceptance.

£1.1bn warships deal

M. Yvon Bourges, France's Defence Minister, flies to Riyadh today to speed up, and possibly complete a £1.1bn deal for the sale of warships to Saudi Arabia—Reuter reports from Paris. The Saudis—among France's chief arms customers—have already bought 1,000 AMX-30 tanks and armoured vehicles, Mirage jets and helicopters. They now want French warships, missile-firing speedboats and other equipment for anti-submarine warfare and coastal defence, officials say.

A strike-bound Swede finds a novel method of collecting petrol for his garden equipment

Cossiga in talks over Fiat cuts

By Paul Betts in Rome

SIG. FRANCESCO COSSIGA, the Italian Prime Minister, held emergency talks with trade union leaders yesterday following the decision by Fiat, Italy's largest private employer, to put some 78,000 of its 114,000 car workers on short-time in June and July.

Fiat's decision has caused widespread alarm and provoked a major political storm on the eve of the official opening of the campaign for an important series of regional elections on June 8 involving more than 42m Italian voters.

Fiat decided to put the workers on a four-day week because of a sharp slump in its export sales and the need to reduce its high stocks of cars by 30,000.

But Labour leaders claim the company is trying to put pressure on the trade unions in view of imminent negotiations for the renewal of Fiat labour contracts.

The Turin-based car group has also been accused by union leaders and Left-wing political parties of making a last-minute attemp to block a proposed deal between Alfa Romeo, the State car manufacturing group, and Nissan of Japan to produce a new medium-range car in Southern Italy.

But Fiat, which is expected to report disappointing results for 1979, claims that its export sales, accounting for about 50 per cent of its car production, had suffered from shrinking international demand, low productivity at its Italian plants and competition from Japanese manufacturers on the European market.

Pay offers promised for Swedish strikers

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

MEDIATORS appointed by the Swedish Government were expected to submit compromise pay offers to unions and employers last night in an effort to end strikes which have paralysed Swedish industry and trade for the past eight days.

The mediators' move came as the unions tried to force pay concessions by hitting at the country's oil and petrol supplies. Yesterday, 1,500 tanker drivers started a strike which is regard as the most dangerous move yet in the conflict. Over half the Swedish working population is on strike, locked out or working to rule.

Three of the country's four refineries are already closed and the drivers' strike aims to cut off deliveries to industry. All oil company outlets are affected apart from those owned by the consumer co-operative oil company OK.

The drivers' union has exempted hospitals, district heating plants, the police, the post office, milk and newspaper distribution, most public transport and taxis, from the delivery ban.

Some 80 per cent of industry is already shut down because of a strike by 100,000 blue-collar union members and the employers' retaliatory lock-out

The transport workers' strike will also hit the private motorist. Supplies at petrol stations are expected to last up to six days, after which only those able to show they have dispensation from the union will be able to fill up.

Delays in public transport, particularly in Stockholm where the underground is closed, a bread shortage and rationing of "strong" beer are among the most disagreeable effects of the stoppages

Newspapers are thinner, television is restricted to news bulletins and only one of three radio channels is operating.

Sweden has had no commercial flights since April 25, most harbours are closed and exports and imports are reduced to a trickle.

British pledge to EEC

BY ROBERT MAUTHNER IN PARIS

LORD CARRINGTON, Britain's Foreign Secretary, yesterday gave a firm undertaking that Britain would remain a member of the European Community, in spite of current disagreements over its contribution to the Community's budget.

The commitment was made in a speech read for the Foreign Secretary on the occasion of the 30th anniversary celebrations of the declaration by M. Robert Schuman, which led to the creation of the European Coal and Steel Community and, later, the EEC.

Membership of the Community was too valuable for Britain and its partners for it ever to be called in question, Lord Carrington said. It was true that Britain was seeking changes through negotiations. "But to change is not to destory," he said.

Spanish fishing boats arrested

By Robert Graham in Madrid

THE Moroccan authorities have arrested 15 Spanish fishing boats, apparently in retaliation for a meeting last week in Madrid between Sr Marcelino Oreja, the Spanish Foreign Minister and Salek Ould Salek, the Polisario information chief.

The Moroccans have increasingly resorted to this way of expressing disaffection with Spains policy towards the Sahara.

Last month 20 Spanish fishing vessels were arrested and taken to Casablanca. The official reason given by the Moroccan authorities is that Spanish fishing boats are operating in forbidden areas with non-regulation nets, catching smaller fish than agreed.

Israelis attack Sadat for West Bank talks delay

BY DAVID LENNON IN TEL AVIV

ISRAEL yesterday accused President Anwar Sadat of Egypt of eliminating any possibility of making substantial progress on Palestinian autonomy by the target date of May 26. Officials said this would be the effect of his decision to suspend negotiations at ministerial level to give himself time to reflect on the round of talks which has just ended.

Israeli officials were clearly surprised and angered by the Egyptian leader's decision, which was announced on Thursday night. Dr. Yosef Burg, the Interior Minister who heads the Israeli negotiating team, said that if the ministerial talks were halted, "there is no point in continuing with the discussions by officials in the working groups." Later in the day Egypt informed Israel that it also wanted those talks halted.

The negotiations between Egypt, Israel and the U.S. on autonomy for the 1.2m Palestinians living in the Israeli-occupied West Bank and Gaza Strip have made virtually no progress since being started almost a year ago.

Following separate meetings in Washington last month between the U.S. and Egyptian and the U.S. and Israeli leaders it was decided to accelerate the talks in an attempt to make real progress before May 26. But a week of negotiations which ended here on Wednesday failed to produce any significant results.

This continuing failure to narrow the vast gap between the Israeli and Egyptian concepts of autonomy is seen here as one possible reason for the Egyptian President's decision to halt the talks. But it is also felt that he may have taken this this step because he intends to make changes in his Cabinet next week and does not want to have Ministers involved in negotiations when he may decide to replace them.

Mr. Dan Pattir, spokesman for the Israeli negotiating team indicated yesterday that when the Cabinet meets tomorrow it is likely to react negatively to the latest surprise sprung by the Egyptian leader.

Another startling development of the Palestinian issue yesterday was a statement by Mr. Ezer Weizman, the Defence Minister, who said that the unofficial National Guidance Committee or Radical Palestinian leaders on the eWst Bank was a potential partner for negotiations.

The guidance committee was set up after the Camp David summit to unite opposition in the occupied territories to the autonomy plan.

China planning missile test in South Pacific

BY TONY WALKER IN PEKING

CHINA is to conduct an intercontinental ballistic missile test in the South Pacific near the newly-independent nation of Tuvalu later this month or early in June.

The Chinese news agency, Xinhua, said China would launch a "carrier rocket" from the Chinese mainland between May 12 and June 10.

It gave no details of the type of missile to be launched, but it is believed to be a late-generation CSSX 4 ICBM which has a range of more than 12,000 kilometres.

News about the proposed Chinese test was leaked in Wellington, New Zealand, on the eve of a visit by Chinese Vice-Premier, Mr. Li Xiannian. Mr. Li, at present in Australia, told Mr. Malcolm Fraser, the Australian Prime Minister, that China intended to carry out the test

The news agency said China would launch the rocket at the high seas and the impact area would cover a radius of 70 nautical miles in the Pacific Ocean, centred at latitude seven degrees zero minutes south and 171 degrees 33 minntes east longitude.

Chinese aircraft and vessels will carry out operations in that area the announcement said.

"For the safety of passing vessels and aircraft, the Chinese Government hereby requests the governments of other countries concerned to inform their vessels and aircraft not to enter that area and the space over it during the period of the experiment," the announcement concluded.

The target area in the South Pacific is bounded by the Solomon Islands, the New Hebrides, Tuvalu and Fiji

David Dodwell adds: The Chinese have had plans to mount an ICBM test since the mid-1960s.

It is hardly coincidental that the go-ahead for a test has finally been given at a time of acute political tension worldwide and soon after the breakdown of Sino-Soviet friendship talks.

Volcker hints at further easing of credit

BY IAN HARGREAVES IN HOT SPRINGS, VIRGINIA

MR. PAUL VOLCKER, chairman of the U.S. Federal Reserve, yesterday hinted strongly that the Fed was considering rolling back further the credit control apparatus assembled in October and March as part of its programme to combat inflation.

But he also held his line that the Fed's fundamental policy of curbing inflation by controlling monetary growth would not change. He cast doubt on the widespread Wall Street assumption that the recent fall in interest rates signals severe recession.

After a brief session here with the Business Council, an organisation of top executives, Mr. Volcker said the Fed would "evaluate in the course of time" the need for lifting various controls. He was speaking after the Council issued its own economic forecast, which predicts higher unemployment and a slower recovery from recession than the Administration does.

The Fed had last week removed the 3 per cent penalty discount rate supplement established in March because the decline in money market rates had made it irrelevant.

Although the Fed, like almost everyone else, has been surprised at the speed of the fall in short-term rates, Mr. Volcker said he thought the decline had been "constructive," especially for hard-pressed areas of the economy.

He cautioned against regarding the abrupt decline in consumer spending in the past eight weeks as a certain harbinger of deep recession.

Mr. Volcker also made it clear that he was at loggerheads with his Business Council hosts over the question of a tax cut late this year.

The Council's economists look for a real decline in gross national product from the first to the fourth quarter of this year of 2.5 to 3 per cent, to be followed by an "anaemic" recovery.

Unemployment is forecast to rise from 7 per cent to just under 8 per cent by early next year. (Mr. Lane Kirkland, AFL-CIO president, told the Council that 8 per cent would be jobless before the end of the year.)

Consumer price inflation should drop from 16.5 per cent in the first quarter of the year to 10 per cent in the final quarter, the Council said. The forecast, however, does not predict much improvement in inflation next year.

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UK NEWS

Heseltine attack on 'Luddite' attitudes of NALGO

BY ROBIN PAULEY

TRADE UNION action adopted this week to prevent local authorities compiling manpower statistics was typical of the negative, hostile, almost Luddite, attitude for which so many criticised local government, Mr. Michael Heseltine, Environment Secretary, said yesterday.

Every citizen had the fundemental right to be given information about the local and national government which he elected, Mr. Heseltine said.

He was speaking at a seminar on the Local Government Planning and Land Bill organised by the Royal Institute of Public Administration and Birmingham Institute of Local Government Studies.

"We should know, service by service, what is happening to the numbers of employees for whom we are paying. This will enable comparisons to be made and questions to be asked," he said.

It was therefore "distressing and depressing" to hear Mr. Geoffrey Drain, general secretary of the National Association of Local Government Officers, authorising members not to co-operate in passing manpower data to central government or local government organisations.

Mr. Heseltine quoted Mr. Drain as saying: "All branches are requested to ensure that joint manpower-watch returns are not made. Members will be aware of the danger inherent in publication of individual authorities' manpower figures at present."

Mr. Heseltine asked: "How can it be dangerous for the public to be told how many people are employed this year *compared with last?*

On financial implications of the Local Government Bill passing through Parliament, Mr. Heseltine said the reformed system of rate support grant would be much fairer and would "mean an end to the assumption that expenditure equals need," not an end to local democracy.

But Sir Godfrey Taylor, chairman of the Association of Metropolitan Authorities, said: "If block *grant is* implemented in the form envisaged in the Bill we shall see the biggest shift of power away from local authorities towards central government *for* many years.

"There will be a move to control or influence individual local authorities' spending plans. It is this level of interference which strikes at the essence of local government freedom," he said.

MacGregor appointment warning

By Philip Rawstorne

MR. IAN MACGREGOR'S appointment as chairman of British Steel could damage industrial relations and the morale of senior British management, Mr. Robert Adley, Tory MP for Christchurch and Lymington, said yesterday.

Voicing Tory backbench criticism of Sir Keith Joseph, the Industry Secretary, Mr. Adley said: "It is facile to pretend that Ministers in carrying out their responsibilities for the nationalised industries can behave as though they were directors of private sector companies.

"Decisions taken on behalf of the taxpayer must be taken with due regard to the impact that such decisions will have on public opinion in general and on industrial relations opinion in particular.

Mr. Adley, speaking at a meeting of Bristol University Conservative Association, said that to suggest that Mr. MacGregor was an outstanding businessman was wholly acceptable. "To state that no such competent person exists within British industry, is not."

He hoped the concern of Tory MPs would ensure that Ministers in future "contemplated the wider implications of *their actions* before embarking on unusual and controversial courses."

In the light of attempts by Mr. James Prior, Employment Secretary, to improve industrial relations, he said: "I regret that anything should be done to damage the fostering of the new climate of goodwill and reality between workers and management which is an essential prerequisite to our national recovery."

New pedestrian crossing light

AN EXPERIMENT to allow *pedestrians to cross the road* safely at junctions without stopping all the traffic is to be tried out in Harrow and Enfield this month.

Pedestrians will push a button and a "green man" image will light up if it *is safe to cross.* Oncoming traffic will see a flashing amber arrow on the traffic lights to indicate "pedestrian priority."

The experimental system has been devised by the Greater *London Council* working with the Department of Transport to maintain the free flow of traffic. The system is being tested at Ponders End High Street, Southbury Road and Nags Head Road in Enfield and Station Road and Piner Road, North Harrow.

John Methven

A SERVICE of thanksgiving for Sir John Methven, Director General of the Confederation of British Industry, who died in April, will be held at Westminster Abbey on Wednesday, June 4, at 12 noon. Ticket applications to the CBI, 21 Tothill Street, London SW1 before May 21.

New car sales down nearly 30% in April

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEW CAR sales in April dropped 29.74 per cent compared with the same month last year, from 161,796 to 114,677.

The industry had been expecting some decline. The Society of Motor Manufacturers and Traders, which compiles the statistics, has forecast that new car registrations will be 1.5m this year, compared with the 1979 record of 1.71m.

It is standing by that forecast, despite last month's figures. These were distorted to some extent by the hectic marketing campaigns—notably by BL—during February and March which dragged forward some purchases.

In the first four months,

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registrations were much as expected, declining 3.21 per cent from 637,889 last year to 617,390.

Imports continued at a high level last month, accounting for 58.46 per cent of total sales, compared with 57.51 per cent a year ago.

In the first four months, imports took 57.55 per cent, against 54.87 per cent.

The total included the "captive" imports of BL, Ford, Talbot and Vauxhall.

Sir Terence Beckett, Ford of Britain's chairman, has promised that his company's tied imports will be cut back this year.

But in April cars assembeld outside the UK accounted for 51.33 per cent of Ford's registrations, against 41.89 per cent in April 1979. In the first four months, Ford imported 53 per cent of the cars it sold, compared with 50.4 per cent in 1979.

Ford's January to April sales set a four-month record at 197,537. The previous best was 181,147 in the same period of 1979.

Ford, which aims to take one third of UK car sales this year, and is right on target with 32 per cent after four months.

After BL's efforts in March, which saw it claw back to nearly 24 per cent of the market, its share fell away in April to 18 per cent.

This is about the lowest level at which it can hope to sustain its dealership netkork until it gets the boost expected from the Mini Metro in the autumn. The summer months will see a "facelifted" Marina and this should also help boost sales.

The car marketing war seems bound to intensify.

Some of the "losers" in the early months—companies which in the main stayed out of the hurly-burly on the grounds they were more interested in profit than market share—must join in because of the fast loss of market penetration.

For example, Fiat was down to below 3 per cent of the market after four months, compared with 4.64 per cent last year. This month it began a campaign involving free petrol *for buyers of 131 and 127* models.

Peugeot, with a four-month share down from 2.12 to 1.8 per cent, must also be worried by its April decline. Sales fell from 3,358 to 1,770. It will almost certainly take some action.

The PSA group, of which Peugeot is a part, suffered because Talbot UK cannot launch any major campaign until the formal introduction of the Solara saloon next week. Talbot's market share fell from 7.53 to 5.94 per cent in the first four months.

Among the "winners" in January to April was Vauxhall, which says its sales were the highest for seven years. This was achieved to some extent by *increasing imports from* Belgium and Germany. They were 13.4 per cent in the first four months of 1979, but 21.5 per cent in the same period this year.

Renault continued its strong advance to establish itself as the leading traditional importer (as distinct from "tied" imports by UK companies).

Volvo, imported by the Lex group, continues to win market share, climbing from 2 per cent in January to April last year to 2.57 per cent.

For the fifth successive month, Ford took the first three places in the top 10 models list. The rankings were: Cortina (13,555 sold); Ford Escort (8,321); Ford Fiesta (6,371); Austin Morris Marina (6,224); Austin Morris Mini (4,898); Vauxhall Chevette (4,085); Vauxhall Cavalier (2,910); Austin Morris Allegro (2,518); Datsun Cherry (2,384); Ford Capri (2,373).

Warning of £40 colour TV fee

MR. IAN TRETHOWAN, BBC director-general, warned yesterday that colour TV licences could cost more than £40 next year if the rate of inflation goes above the projected 12½ per cent rise in BBC expenditure.

The alternative was further programme cuts.

It hoped to avoid this, either by reducing the number of programmes or delaying capital expenditure projects.

The BBC recently introduced cuts of 10 per cent after a Government decision to increase the colour licence fee to £34 instead of the requested £40.

Mercia Sound is IBA's 21st radio

MERCIA SOUND, which starts broadcasting from a new combined medium-wave and VHF/FM transmitting station on May 23, to nearly ¾m people in the Coventry area, will be *the 21st Independent Local* Radio service to come on air for the Independent Broadcasting Authority since 1973.

Transmissions are on 220-metres (1359 kHz) in the medium-wave band and on 95.9 MHz VHF/FM stereo. Transmissions daily, 4.55 am (Sundays 6.55 am)—midnight (Fridays and Saturdays, 1 am). Tests started yesterday.

Granada court order suspended pending decision by Lords

LORD DENNING'S Appeal Court order that Granada Television must reveal its British Steel Corporation informant "within seven days" has been suspended, pending a decision by the House of Lords on whether to allow Granada to appeal.

A petition by Granada seeking leave to appeal is expected to be heard by the Lords Appeal Committee on Thursday.

Last Wednesday the Appeal Court refused Granada leave to take the case to the Lords, *after* ordering it to disclose the name of the British Steel in a World in Action programme.

Lord Denning said the seven-day requirement would be "stayed" once the petition *seeking leave to appeal* was lodged.

If the Lords refuse leave to appeal, Granada will be required to reveal the name immediately.

If the Lords give permission to appeal, the suspension on the order will continue until the Lords decision in the appeal. This would be heard at a later date.

● The Commons yesterday approved the introduction of a Bill to make certain that in future sources of information to the Press and broadcasters will be protected.

But the Freedom of the Press (Protection of Sources) Bill—a private member's measure *sponsored by Mr. Greville* Janner, QC, Labour MP for Leicester West—will have little chance of becoming law because of the pressure of Parliamentary business.

Mr. Janner and other MPs *are determined to establish* that journalists should have the right to protect delicate sources of information, which they fear will dry up if they are unable to maintain anonymity.

Bassett moving into UK soft furnishing

BASSETTI, the UK subsidiary of Europe's biggest domestic textile company, is to move into the British soft furnishing market. The retail sector is believed to be worth £100m a year.

The British Bassetti company was established about 15 years ago but has concentrated on the sheet, continental quilt cover and tablecloth business, which accounts for most of its current £4.5m a year domestic textile sales here. The remainder of its *£7m annual* UK turnover comes from its industrial textiles division.

Bassetti is to offer a total range which covers household textiles, soft furnishings and wallcoverings.

Mr. Barry Compton, managing director of the company, said in London yesterday: "We regard the soft furnishings market in the UK as having tremendous potential. It is worth about £100m a year in the retail sector and we expect to secure a market penetration of £3m by 1982."

The expansion into soft furnishings is prompted by the recent success in Italy of the group's £75m domestic textiles division.

Bassetti has been encouraged in Italy by its entry into the sportswear field with its "Sportime" range of track suits, shorts, shirts and swim wear. The British Bassetti company is considering introducing the range.

Until 1979 a large part of Bassetti's sales in Britain were "disguised" under the house names of a number of large stores but recently the company has been promoting its own name. Its customers have included Selfridges, Debenhams and the John Lewis Partnership.

APPOINTMENTS

Senior executive change at Ultramar

Mr. Arnold Lorbeer is to be appointed chairman and Lord Remnant, deputy chairman, of ULTRAMAR COMPANY from January 1, 1981. Mr. Campbell L. Nelson will retire as chairman and managing director at the end of this year, but will remain on the Board.

★

Mr. Wilbur M. Nichols has been appointed senior vice-president of the MOORE CORPORATION'S international division, based in London.

★

Mr. J. W. Hodges, a council member of the Dairy Trade Federation and managing director of Express Dairy Milk, has been elected chairman of the NATIONAL MILK PUBLICITY COUNCIL, in succession to Mr. W. J. Hinds, whose term of office has expired. Mr. R. S. Steven, vice-chairman of the Milk Marketing Board, has been elected vice-chairman of the council in succession to Mr. J. W. Hodges who was the previous vice-chairman.

★

Mr. Hamish Kidd has become chief executive of *CLIVE AND STOKES,* management consultants.

★

The Prime Minister has appointed the following as Trustees of the NATIONAL HERITAGE MEMORIAL FUND: The Marquess of Anglesey, Professor F. G. T. Holliday, Mr. Clive Jenkins, Professor B. R. Morris and Sir Rex Richards.

★

Mr. Richard Watt, a director of EMI Limited, has been appointed chairman of EMI MEDICAL ELECTRONICS operations. He succeeds Mr. David Steadman, who has relinquished that position, pending his departure from THORN EMI to take up a post with an international organisation outside the medical electronics field.

★

Mr. Harry France has become senior partner of BUCKMASTER AND MOORE, stockbrokers, in succession to Mr. Oliver Dawson, who remains a partner.

★

SPICER AND PEGLER have *appointed five new* partners. They are Mr. Nigel T. Davey (London), Mr. Richard C. Nicol (London), Mr. Michael J. G. Grant (Bristol), Mr. Robert C. Stevens (Cambridge) and Mr. A. Graham Calder (Manchester). Mr. V. R. Hedley Lewis and Mr. R. C. Stevens become resident partners of the new Peterborough office.

★

Mr. David J. Daly has joined GRINDLAYS BANK GROUP as leasing executive. He was formerly with the Concord Multinational Leasing Group and IBOS.

★

Mr. John Smitherman has been made a director of THOMAS CHRISTY.

★

Mr. Norman Mellors has been appointed managing director of *the CRAVEN TUSKER GROUP* in succession to Mr. Henry Booker who has retired but remains in an advisory capacity. Mr. Ian McIntosh, director and manager of Craven Tusker (Woodville), has been elected to the main board of the Craven Tusker Group. The parent concern is John Brown and Co.

★

Mr. G. W. Flint, having passed the normal age of retirement, has relinquished his appointment to the board of BERALT TIN AND WOLFRAM and Mr. H. J. Codrington has been appointed a director in his place.

★

Mr. Paul Mower and Mr. Roy Warren have been admitted to the partnership of ROBSON RHODES. Other new partners following the merger with the Manchester firm of Ashworth Mosley and Co. are Mr. J. Kenneth Barnes, Mr. Thomas Barker, Mr. Richard A. Rushton, Mr. Anthony R. Dobell and Mr. James S. Cullen. Mr. Lewis H. Rattenbury retires as a partner but continues as a consultant.

ENTERTAINMENT GUIDE

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FORTUNE S. CC 01-836 2238. Evgs. 7.30. Wed. 2.30. Sat. 4.00 and 8.00. DR. FAUSTUS. Cast includes JAMES AUBREY and PATRICK MAGEE.

GARRICK. CC 01-836 4601. Evgs. 8.00 (sharp). Fri. and Sat. 5.30 and 8.30. WILLIAM FRANKLYN in DEATHTRAP.

GLOBE THEATRE. S. CC. 01-437 1592. Group Sales 379 6061. Eves. 8. Mat. Wed. 3. Sats. 5 and 8.15. Beryl Reid, Barry Foster, Peter Bowles, Ian Waters in a new play by Peter Nichols BORN IN THE GARDENS. OVER 100 PERFORMANCES.

GREENWICH THEATRE. S. CC. 858 7755. Evenings 8.00. Mats. Sat. 2.30 NEXT TIME I'LL SING TO YOU by James Saunders.

HAMPSTEAD. 722 9301. THE HOTHOUSE by Harold Pinter. Mon.-Sat. 8. Sat. mat. 4.30.

HAYMARKET. CC. 01-930 9832. Evgs. 7.45. Wed. 2.30. Sat. 4.30 & 8.00. LEONARD ROSSITER. PRUNELLA SCALES in MICHAEL FRAYN'S MAKE AND BREAK. Directed by MICHAEL BLAKEMORE.

HER MAJESTY'S THEATRE. 01-930 6606 Keith Michell. Julia McKenzie. Mark Wynter. Ann Beach in the Award-winning Broadway Musical ON THE 20th CENTURY. Evs. 8.00. Matinees Weds. 3.00. Sat. 4.00. Now Booking Until Christmas.

KING'S HEAD. 01-226 1916. Dnr. 7. Show 8. QUARTET by Ronald Mavor.

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Textiles group cuts 560 more jobs

By Sue Cameron, Chemicals Correspondent

COURTAULDS is to close another of its fibre producing plants — at Carrickfergus, Northern Ireland—with a loss of 560 jobs.

The group is to cease production of viscose staple fibre at Carrickfergus, and the future of 330 workers remaining at the site, in Celon nylon manufacture, also seems under threat.

The announcement of the closure comes just a wek after Courtaulds disclosed its intention to shut three Lancashire The latest redundancies bring mills, with a loss of 750 jobs. the total cuts in the group's workforce to 7,750 in the past 18 months.

About 1,500 of those jobs have ben lost in Northern Ireland since September, most of them at the Carrickfergus complex. All polyester production there has also ceased.

Courtaulds has three UK factories producing viscose fibre —at Carrickfergus, Greenfield in North Wales, and Grimsby.

The group exports more than 70 per cent of its production and it said the continued strength of sterling, coupled with ever-rising shipping and raw material costs, meant that a proportion of its export business was loss-making.

Of the three factories, Greenfield was versatile and Grimsby was the most protfiable. The plant was the smallest, at 750 tonnes per wek, and thies was in line with the cut needed to eliminate the losses.

Mr. Giles Shaw, Under-Secretary responsible for industry in Northern Ireland, met Mr. Christopher Hogg, Courtaulds' chairman, on Thursday at the request of the Transport and General Workers' Union and of the Rev. Ian Paisley, MP for North Antrim.

Mr. Shaw said: "In the light of the poor protfiability of Courtaulds' viscose business, I had regrettably to accept that the company had not alternative but to cut its production capacity."

British Gas plans new Scottish plants

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BRITISH GAS is to apply for outline planning permission to build three plants in Scotland at a total estimated cost of about £1bn.

The corporation confirmed yesterday that it will make planning applications this month for a substitute natural gas plant at St. Fergus, near Peterhead, and for a fractionating plant and an ethylene plant at Nigg in Ross and Cromarty. It will also seek permission to extend the present gas terminal at St. Fergus.

All three applications are being made in the hope that the Government will soon give the go-ahead for the building of a new North Sea gas gathering system.

Mobil and British Gas have completed a feasibility study for a gas pipeline, expected to be about 400 miles long, which would take in gas from a number of North Sea fields including Thistle, Murchison, Magnus, Thelma, Toni and Montrose.

British Gas said it was dtermined to "keep up the momentum" generated by the study. It stressed that if the pipeline project went ahead, the time scale for bulidng onshore plants to use the gas—except for the methane that would go into the corporation's natural gas system—would be "tight" That was why it had decided to make its planning applications so early.

The proposed substitute natural gas plant would turn natural gas liquids from the North Sea into the type of gas that can be used for heating or power. If built, it will probably be the largest plant of its type in the world.

The proposals for Nigg are thought to be more a psychological manoeuvre than a serious plan on the part of the corporation.

The planning applications for both plants will be for land actually owned by the U.S.-based Dow Chemical—which wants to build on the site itself.

Dow has already applied for planning permission to put up a £150m gas separation plant, underground storage tanks and a terminal at Nigg. It would like to build a world-scale ethylene plant—ethylene is the so-called bulding block of the chemical industry used for making a wide range of things including plastics—on the site later. The ethylene plant would use ethane gas from the North Sea as a feedstock.

It is unlikely that British Gas seriously plans to go into the chemicals business. But a deal between Dow and British aGs—under which Dow would build and run the ethylene plant—might be on the cards.

CBS Engineering to shut Mersey repair yards

FINANCIAL TIMES REPORTER

CBS ENGINEERING announced yesterday that it is to close its ship repair yards at Liverpool and Birkenhead because of declining trade.

A total of 250 obs will be lost in all sections of the workforce when the yards, the largest and oldest remaining on the Mersey, shut in mid-August.

The company has operated at a loss for the last two years and says there is no sign of any improvement in the foreseeable future. It relies largely on business from ships using the Port of Liverpool and blames in part a drop in the number of vessels and also the transfer of some of the trade to continental yards.

Shop stewards said they were stunned at the decision. There will be a meeting of the five craft unions involved on Monday.

ARTHUR SANDLES EXAMINES COMMERCIAL TV FRANCHISE BIDS

IBA facing breakfast scramble

AS THE final flow of bids for Britain's commercial television franchises arrived at the Independent franches arrived at the Independent Broadcasting Authority's Knightsbridge offices yesterday it was clear the IBA has a tiger by the tail in the form of breakfast television. It is generally believed that breakfast TV was, if not the authority's little joke, certainly its little afterthought.

The idea was introduced late into IBA thinking, at a time the IBA was accused of being conservative and conventional in plans for the 1980s. When in January Lady Plowden, the IBA chairman, outlined plans for the new service it was not even offered as a real contract—the authority "would be prepared to consider applications." The IBA was not sure the thing would work.

Now eight groups have put in proposals and most bidders have the financial and creative muscle which the authority will have otot take seriously. It is a breakfast scramble which could leave the IBA with egg on its face.

The dilemma is that many present independent contractors believe that introduction of breakfast television would endanger any early start for the fourth channel. A time when there are doubts about the flow of advertising revenue is not best suited to creation of two new projects which would need to feed off this pool.

Independent Television News, one of the bidders, estimates net advertising revenue in the first full year of operation at £8.5, rising to £12.6m in 1984. Another bidder, Daytime Television, puts net revenue at £7.4m in 1982, rising to £12.3m. In direct operating terms both groups seems to see themselves coming into profit in the second year of operation.

This implies a greater enthusiasm for breakfast television than the IBA itself thought lkiely, and more than was the American experience. Although breakfast TV is now established in the U.S. it had a shaky start.

But a survey for ITN by Opinion Research Centre, included in the ITN proposals, showed that 41 per cent of people questioned thought early - morning programmes would be a good idea, and 46 per cent indicated they would watch the programmes at least at first. The survey revealed that 24 per cent of individuals had their main television set in the room in which they eat breakfast.

All this may make worrying reading for the authority, for it finds itself with ample evidence from a variety of sources that breakfast television might work in Britain, and be popular. At the same time, it would present the IBA with ticklish problems over the relationship of the new company to all the others, particularly with ITN if that company itself did not win the contract. Such is the strength of the bidding that the authority would have to talk very fast to get out of its commitment.

The other tempting cherry on the independent television tree has proved to be the contract for the prosperous South and South-East of England, currently held by Southern Television. Southern finds itself with six rivals for an area about to be much enlarged.

The problem for the incumbents is that retention of the contract is the major aim of the battle but not the only one. The authority has power to impose shotgun weddings on contenders. A contractor retaining his franchise could find he has to offer a stake to one or more rival if the authority thinks they have good ideas.

With so many applicants the authority's worse difficulty, however, is sheer workload. Once all proposals are published, and there was confusion yesterday over what could and could not be said publicly at this stage, there will be a series of public meetings. After that, all applicants will be interviewed, in October and December. The contracts will be awarded at the end of the year, giving one year to start-date—January 1, 1982.

The one exception to this date could be the vexed one of breakfast television. As the IBA was saying cautiously last night: "If a breakfast-time contract is awarded, it will not necessarily operate by that date."

Contending for the franchises . . .

London. The present weekday contractor, Thames TV, the biggest independent company, is faced with one rival bid, from London Independent Television, led by Mr. Hughie Green. Mr. Green's company is also bidding for the weekend contract, held by London Weekend TV. The much-discussed workers' co-operative bid for the LWT area did not materialise.

East and West Midlands. ATV is indulging in some internal reorganisation, heavily underlining a local identity, and making a clearer division between it and its parent Associated Communications. It has to fight off two active rivals—Mr. Stuart Wilson and Midlands Television and Mercia Television, which has the promised support of Courtaulds Pension Fund and Nottinghamshire county council.

North-West. Granada has one opponent, Mersey Vision.

South and South - East. Southern TV, the contract-holder, has a battle on its hands. It is under attack from Television South and South East (Holdings), which has backing from British Rail Pension Funds, Charterhouse Group, local newspapers and Haymarket Publishing Group. Board members include Sir Freddie Laker. Lord Boston is chairman of another group, TV South (South and South-East Communications). Other contenders are Network South, Southern Counties Television Consortium, Tellecom (Broadcast) Television and Vayglen.

South-West. Mr. Peter Cadbury's Westward Television is challenged by Television South West and West Country Television. Pre-application skirmishes were lively.

North-East. Contractor Tyne Tees faces two rivals, Norseman and Television North. Both would have to show how they would co-exist with the Yorkshire area contract-winner, for in this area there is considerable blurring of boundaries.

East of England. Anglia TV faces Eastern England Television.

Wales and the West. HTV faces Severn Television/Hafren Television.

Central Scotland. Scottish TV faces two rivals, Caledonia Television and Lowland Broadcasting.

Northern Ireland. The two bidders are contract-holder Ulster TV and Northern Ireland Independent Television.

Yorkshire—Yorkshire is the one area where a co-operative bid got off the ground. Some members of the staff have enlisted Mr. Donald Baverstock, former controller of BBC-1 and one-time programme-director of Yorkshire itself, to get a consortium going. Mr. Jonathan Aitken, MP, is a member. Yorkshire TV, the incumbent, has to fight off a bid from present and past employees.

The contract-holders in three areas face no rivals. They are Border TV, Grampian TV, and Channel TV.

Breakfast television. The most keenly contended field. Applicants are (in the order listed by the IBA):

A M Television (Pearson Longman, with Mr. Christopher Chataway as chairman).

AMTV (Lord Lever, the Observer, the Guardian, Jonathan Dimbleby.)

Daybreak Television (Trafalgar House, Great Universal Stores and Associated Communications, with Sir Leo Pliatzky as chairman and Alan Whicker and Mike Brearly in the team).

Daytime Television (the Post Office Pension Fund, Industrial and General Finance Corporation, British Printing Corporation, Philips Industries and Exchange Telegraph.)

Good Morning (the Chrysalis Group.)

Independent Television News.

Morning Television (Molinare).

TV-AM (David Frost, Peter Jay, Michael Parkinson and Robert Kee).

Farmers 'will need extra aid on prices'

BY RICHARD MOONEY

FARMERS will need extra help from the Government on top of the proposed 5 per cent average EEC farm price increase proposed in Brussels, Mr. Richard Butler, president of the National Farmers' Union, said in London yesterday.

The 5 per cent proposal is being held up by Britain as part of its strategy to win a substantial cut in its EEC budget contribution. But following talks in Brussels this week it seems certain to go through once the budget problem is settled.

The increase would be double the initial proposed by the EEC Commission but Mr. Butler said yesterday that it would still be well short of the 7.9 per cent rise demanded by COPA, the European farmers' union.

"Such an award will not go anywhere near meeting the increased costs which British farmers, suffering the highest inflation rate in Europe, have to bear," he said.

"Unless the prices package now proposed is supplemented by UK Government action, British farmers will have to cope with a further decline in real income for the third year in succession."

He warned that a further reduction in British farm output was inevitable unless extra help was given.

Mr. Butler has written to Lord Carrington, the Foreign Secretary, stressing the urgency of settling the budget dispute so that the farm price rise can be implemented. He has also written to Mr. Peter Walker, the Agriculture Minister, outlining the arguments in favour of direct national aids to supplement the increase.

Parking meter advertising

LONDON'S borough councils could earn "hundreds of thousands of pounds" each year by renting out advertising space on the capital's parking meters, according to a report to the London Boroughs Association's housing and works committee.

Advertising agencies have already approached some borough councils about the idea. But the report adds that there could be problems. Any adverts on a meter could confuse drivers who are parking, and could look unsightly.

Investment 'still at a high level'

By Robin Reeves in Cardiff

THE FLOW of new manufacturing investment into Wales confirmed at a high level, Mr. John Clements, head of the Welsh Office Industry Department said in Cardiff yesterday.

He said at a CBI Wales seminar on the regeneration of the Welsh economy in the wake of the steel cutbacks that, in spite of the difficulties, industry was still showing great interest in investing in the principality.

So far this year, 45 advance factories had been allocated to incoming industries and a further 75 applications had been provisionally allocated factory space.

Mr. Clements said a great deal had been heard of Welsh job losses but he was sceptical of the crisis forecasts.

The gloomiest view, just published, suggests Welsh unemployment will nearly double over the next two years to 14 per cent but Mr. Clement said job gains were not being covered anywhere near as thoroughly.

Nearly 300 factories had been let in the last 2½ years, a better inflow than the previous 15 years put together. Selective financial assistance had been awarded to 380 projects totalling £450m over the past two years.

UK NEWS — LABOUR

DAY OF ACTION PICTURE REMAINS UNCLEAR

Rail workers hold the key

BRITISH RAIL'S ability to operate services on May 14 is the biggest factor that will affect how industry copes on the TUC Day of Action.

British Rail management has taken some heart from the response to its questionnaire on whether employees intend to work. *Just under half its* 180,000 rail employees responded and British Rail says a majority intend to report for work.

Managements of five regions have told the board they should be able to operate some services at least.

But the picture is likely to remain unclear until May 14. The questionnaire begs the question of whether staff will be able to get to work, given the disruption to transport services.

Local rail managers will also need details of who is available for key installations such as *signal boxes. Failure to work* these could put whole routes out of action.

The questionnaire does not indicate if individuals intend taking some form of action, such as a temporary stoppage, short of a day's strike. Such action would further disrupt services.

Mass meetings of workers at *Leyland Vehicles Bathgate and* Albion plants in Scotland voted not to take strike action.

Stewards apparently decided not even to hold a meeting at the company's Lancashire plants, where the workforce is expected to go in as normal.

BL Cars is keeping open all its 36 plants and believes it will maintain some production at all of them, but that there will be disruption in the Midlands factories.

A mass meeting of 500 Lucas workers at Birmingham voted to work normally in defiance of shop stewards.

The Engineering Employers' Federation, whose 6,000 member companies cover 2m workers, said its members noted an "encouraging lack of enthusiasm on the shop floor" for the action. *It predicted* a high percentage of workers turning up for work in most parts of the country.

But some engineering companies are still unclear of the extent of strike action. For example, the General Electric *Company, one of the largest* industrial groups, said each of its factories was acting independently.

At its turbine plant in Manchester, unions voted overwhelmingly in favour of a strike. Workers at its Rugby turbine factory are being allowed to "act according to their conscience." The more traditionally *militant Manchester workers are* expected to give wide support.

Philips, the Dutch electronics company, said many of its plants would operate as normally as possible, providing workers could get to work.

Postal services on May 15, and *for second class mail on May 16*, will be noticeably affected if there is widespread dislocation *to train services on May 14*. The Post Office intends to use its vehicle fleet to minimise the effects as far as possible.

The Union of Post Office Workers has instructed its members to work normally. In Post Office Telecommunications, the Post Office Engineering Union is leaving it up to individuals on what action to take.

It is unclear what action members of the Civil and Public Services Association will take. This could have a major impact on Girobank operations.

All Post Office unions are trying to co-operate on joint demonstrations. Agreements to *which all the unions are party* specify that, during a national transport "emergency," Post Office workers report to their local offices if they cannot get into their workplaces.

Shop stewards' leaders in the electricity supply industry are not expecting major disruption of power. But Mr. Mike Ellis, secretary of the industry's unofficial shop stewards committee, said it was likely unionists on shift work would use their free time on May 14 to attend local pro*test meetings*.

Power workers are expected to interpret the Transport and General oWrkers' Union guidance on exemption of maintenance of essential services and of continuous plant operations as applying to electricity *supply*.

General and Municipal Workers' Union guidance exempts those whose work includes health and safety responsibilities.

The industry's leading union, the Electrical and Plumbing Trades Union, has opposed the Day of Action.

Trade unionists working in hospitals and elsewhere in the health service are most directly affected by TUC concern to avoid disruption of emergency work. Emergency ambulance services are *expected to be maintained*.

The National Union of Public Employees and the Confederation of Health Service Employees, leading TUC affiliates representing hospital workers, have both made it clear they do *not want direct* patient care affected.

Airlines expect some disruption to Wednesday's services, although most hope to run a limited service. There has been no assurance from airports that all support facilities, such as emergency services and baggage handling, will operate.

The British Airports *Authority has been* advising would-be travellers to contact airlines as they may be rescheduling flights.

The Road Haulage Association, *which has 15,000 member* companies operating 200,000 vehicles, advised members to make it clear to drivers that they will not be paid if they do not report for work.

A large number of drivers would probably be expected to work normally, although this is discussed at depot or branch level.

Widespread disruption of bus services is expected. Some *National Bus Company officials* believe drivers are more likely to have short but disruptive meetings rather than take the whole day off.

Dockers at Hull and Southampton are expected to decide next week how to interpret TGWU *guidance* on supporting the Dayp of Action.

Shop stewards in Hull are distributing the *TGWU circular* this weekend to dockers and plan to address a mass meeting on Monday.

The executive of the Banking, *Insurance and Finance Union* has decided to take no specific action. The majority of staff in the clearing *banks are either* members of staff associations not affiliated to the TUC or are non-unionised.

Most banks have arranged *special coach services* to get staff to work.

Prior plea for Tory unity

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MR. JAMES PRIOR, Employment Secretary, yesterday called for Conservative Party unity behind the Government's *step-by-step approach to in*dustrial relations reform.

He appealed to the Scottish Conservitive Conference in Perth to back him and the Government in what it was trying to do. To go faster or further with trade union *legislation, as some critics* were demanding, would be to risk losing everything.

Mr. Prior was the second senior Cabinet member to spend most of his speech defending Government policy against delgates wanting a stronger apporach.

Sir Geoffrey Howe, the Chancellor, argued on Thurs*day against a more drastic* cutting of public expenditure.

Mr. Prior won a standing ovation, despite dissent from a few delegates.

He attacked the trench warfare mentality of some Conservatives, who wanted tougher action against unions. The way to a better industrial relations climate was not by shouting the odds about *changing the law or castigating* the unions.

A deeper issue was at stake, Mr. Prior said. Power had to be returned to Parliament. If it was *not, or if Parliament continued* to pass legislation which could not be enforced, that would be the end of Parliamentary democracy.

The Government's approach was strongly criticised by Mr. John Corbett, Kilmarnock. He said the country did not want a wishy-washy, stop-go policy on unions. A row with the TUC was inevitable and the Government might as well get it over with.

Legislation should be passed immediately to ban unofficial strikes and the closed shop, make secret ballots compulsory for union leadership elections, and provide the police with powers to move on "rent-a-mob" pickets.

Fresh moves to end print pay dispute

BY PAULINE CLARK, LABOUR STAFF

FRESH MOVES to find a solution to the eight-week pro*vincial printcraftsmen's dispute* were made yesterday when leaders of the National Graphical Association and provincial newspaper employers met for talks in the offices of the Newspaper Society.

This was the first time the two sides had met formally in the pay row which has kept most of the country's provincial newspapers off the streets for about two weeks.

The talks were adjourned after about four hours with *both sides expressing hopes* that the dispute might be resolved at a reconvened meeting planned for tomorrow.

Sanctions being taken by printcraftsmen in support of their pay claim were to continue for the time being.

The meeting, between the union and representatives of 260 provincial newspaper owners, raises the prospect of a long-term breakaway from joint *national negotiations with the* Society and the British Printing Industries Federation, which represents the general print industry.

Talks between the Society's negotiating team and Mr. Joe Wade, general secretary of the NGA, followed separate peace moves by the Federation on Thursday.

The Federation unilaterally advised its 3,700 members to offer reinstatement *to suspended* NGA employees on the basis that normal working would be resumed.

The union has already this *week repeated its determination* not back down from its claim for an £80 minimum earnings level and a 37½ hour week within 12 months. It has rejected the employers' offer of £75 and a 37½ hour week by 1982 in return for co-operation on new techn*ology*.

In separate talks yesterday the Birmingham Post and Mail group failed to reach agreement on pay with representatives of *300 of its own NGA employees*.

Talbot strike ends

THE STRIKE which stopped production and put more than 3,000 men temporarly out of *work at the Talbot car plant*, Linwood, Scotland, was called off yesterday.

A meeting of 300 strikers inside the factory voted to go back to work and production will resume on Monday.

The company has warned that a continued stoppage would threaten the plant's future.

The week-long dispute was over whether four men or only two should be taken off the metal finishing section on the *assembly line and employed* elsewhere in the factory.

Mr. James Livingstone, Transport and General Workers' Union shop stewards' convenor, said the works committee had recommended the men to return to work and accept a cut of four in the section. Thsi-rhad in the section. This had previously been rejected by the strikers.

Teachers' pay arbitration

BY ALAN PIKE, LABOUR CORRESPONDENT

THE 1980 teachers' pay claim was referred to arbitration yesterday after employers re*fused to improve upon a 13 per* cent offer.

When they made the offer a week ago, the local authority employers warned that even *this would have to be financed* by cuts in teaching jobs. But the teaching unions rejected the proopsals when they were presented again without improvement yesterday.

The unions are claiming in*creases of 20* per cent which, they argue, are justified by the general level of settlements elsewhere in the public sector.

They are also particularly concerned that a 13 per cent settlement would lead to an immediate erosion of the Clegg *comparability* increases for teachers announced last month. These will give teachers rises averaging 18.2 per cent on top of their 9.3 per cent 1979 settlement.

THE WEEK IN THE MARKETS

Dousing interest rate hopes

LONDON

ONLOOKER

After an April of plunging interest rates and a sunny Bank Holiday weekend, the stock market began the week in a decidedly optimistic frame of mind. Surely it was only a matter of a week or two before Minimum Lending Rate had to fall, and then—going by the American experience—it would not just be a matter of a point or two.

The banking figures for the month to mid-April, published the following day, doused this enthusiasm. Sterling M3, certainly, no wseems to be under control, but only because the Government has succeeded in selling so much stock to investors. Bank lending is still moving ahead briskly, and it is unlikely that the authorities will take the plunge and allow rates to fall just yet.

So gilt-edged ended the week slightly lower than they had entered it, the new issue of stock—Exchequer 13½ per cent 1992—was a flop, and equities, having advanced gingerly in the footsteps of bonds, began to slip back again.

Trade winds

P and O surprised the stock market with its interim figures, which showed a profits recovery a good year earlier than anyone had been expecting. In the second half of 1979, the company maintained its stronger performance, but it now looks as though the improvement in underlying earnings may have run its course for the time.

The jump from £15m to £33.9m pre-tax last year (stripping out the profits on ship sales) largely reflected a turn into profit of three divisions which had been making losses in 1978. One of these, the energy division, owed its success to the rather unusual oil trading opportunities that 1979 presented, and a good deal of the improvement in the bulk shipping division came from the gas trading associate Mundo Gas, which had a similarly exceptional year. The third slice of loss elimination, the Bovis business in South East Asia, had been through trading experiences in 1978 that P and O would rather forget.

The energy and shipping divisions may not do quite so well this year—unless on the general cargo side OCL, another associate, can produce a further remarkable performance in unfavourable conditions.

Any improvement in profits is likely to come from a lower interest charge. P & O has taken considerable steps towards de-gearing its balance sheet, with the sale of its energy exploration interests and some other businesses, and gross borrowings fell £100m last year to £322m. Unfortunately, though, the rise in interest rates—in the first six months of the financial year at least—will wipe out much of the benefit of this, but P & O will be hoping for relief in the second half of 1980.

Fattening foods

There is still a great deal of money to be made in food retailing. Despite a flat overall performance in the stores as a whole, Marks and Spencer's food profits spurted by a quarter in the second half while J. Sainsbury has set a very fast pace for its traditional rivals, Associated Dairies and Tesco.

Its 34 per cent pre-tax improvement to £43.82m during the year ended March 1 takes in a 54 per cent second half gain at the operating profit level. The advance flew in the face of accepted City wisdom for volume had been expected to flatten while the encroachment of the Yorkshire-based upstarts at Asda in Sainsbury's traditional southern pastures had been thought likely to depress margins.

Not so. Sainsbury's sales increased by 22 per cent which suggests that volume increased by a tenth and the introduction of Monday trading has clearly been a real help. So too was the extra 6 per cent in selling space, although Sainsbury claims it had been winning most of the increased volume through its existing stores. New openings to increase space by a further 10 per cent are in hand this year and Sainsbury is set to expand its share of the grocery trade.

Its share, as measured by AGB, grew from 10.6 per cent to 11.8 per cent last year and the City will be interested to discover whether the big three food retailers have been carving out a larger slice of the trade held by the independents and smaller chains or whether Sainsbury has outstripped its peers.

Tesco will be publishing profits next month and its performance should provide some of the answers.

Buoyant bearings

Last year's recovery in the world bearings market is proving to be no flash in the pan. Sweden's SKF Group raised first quarter earnings for 1980 by almost 250 per cent and Ransom Hoffmann Pollard, the British bearings group in which SKF had more than a passing interest, made more in the six months to March 28 last than it had achieved in any previous full financial year.

Its recovery had, in fact, been effected in 1979 and, while bearings were blighted by national disputes that year, the MTE eletcrical components business was setting a cracking pace. This time, however, the dominant bearings activities have been restored to the pole profits position, despite further growth at MTE and the Philidas fastenings subsidiary. Interim pre-tax profits jumped from £2.2m to £5.94m.

A retreat by some of the major competition from the transmission bearings markets — coupled with RHP's own capital spending and rationalisation effort — explains much of the progress. Transmission bearings pulled up by almost £1m and total bearings profits moved ahead to £3.8m against motive and general ball and just £585,000. The UK autoroller bearings markets are flat but world under-capacity has allowed the surviving manufacturers to compensate with overseas sales. RHP, then, is one o fthe very few exporters so far immune to the margins squeeze imposed by a demanding domestic currency.

The shares were not entirely enthused by this evidence of the profits acceleration and, certainly, RHP is taking a cautious view of prospects in warning of some second-half downturn. Perhaps that should be the natural reflex action of a major bearings manufacturer but, although renewed activity has increased working capital requirements — and thus borrowings — gearing is just 35 per cent and the group is still pursuing acquisitions. A sizeable deal to complement MTE can be expected before the September year end.

Do not disturb

Ferranti belongs in the market place — and the NEB plans by the end of next month to decide how to sell its 50 per cent shareholding in this electronics and engineering business to the public. That was the message from Sir John King, deputy chairman of the NEB, this week. And although it is possible that any decision will not be implemented immediately, the question of Ferranti's ultimate ownership is obviously coming to a head.

The company itself has no doubt about its preferred outcome. ". We want something that will disturb our business as little as possible," says Mr. Derek Alun-Jones, the managing director. He would like to see the NEB shareholding spread as widely as possible around the stock market — and preferably not all at one go.

The Fairey group felt the same way—which did notstop the NEB selling its entire holding to on bidder. But in that case, it was selling 100 per cent of the shares, and it might be harder to make such a clean break with Ferranti, which already has a large body of outside shareholders.

The shares have been very strong this year, and the price certainly seems to include a measure of bid speculation. However the defence electronics sector as a whole is highly rated on the stock market at present, and the outlook for Ferranti's protfis is promising. Analysts do not expect much improvement on the £9.9m pre-tax of 1978-79 in the year that has just ended—but some are already forecasting around £15m for the current year.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	436.5	− 7.1	478.8	406.9	Reduced hopes of int. rate cut
Associated Fisheries	75	+ 8	75	50	Speculative buying
Berkeley Expl.	177	+37	177	83	Press comment
Bilton (P.)	218	−27	253	180	Asset revaluation below estimates
Costain	136	−12	159	125	Comment on preliminary results
Distillers	198	−12	219	192	Possible short-time working
Dunlop	67	+ 7	70	51	Far Eastern buying
Kitchen Queen	13	− 4	44	11	£2m interim loss indicated
L.K. Ind. Invs.	17	− 6	28	17	Annual deficit, final div. omission
LASMO	630	+55	630	337	Bid hopes
Marshall's Universal	80	−12	114	80	Disappointing 2nd-half figures
Mowlem (J.)	98	− 5	106	91	Wimpey sells entire holding in co.
Royal Bank of Scotland	80	− 5	96	80	Disappointing interim results
Sainsbury (J.)	325	+27	327	280	Better-than-expected results
Sandhurst Marketing	73	+ 7	73	52	Good results and scrip issue
Siebens (U.K.)	815	+55	930	404	Speculative demand
Spear & Jackson	114	+16	114	92	Press comment
Wadkin	100	+14	105	70	Investment recommendation
Westpool Inv. Tst.	140	+38	140	100	London Merchant Securities deal
Whessoe	48	−16	86	48	Poor interim results

After wonderland . . .

NEW YORK

IAN HARGREAVES

PLUMMETING INTEREST rates cast a spell over Wall Street this week, enabling the market to shrug off some dreadful economic news which might otherwise have sent share prices tumbling.

As it was, stocks managed to hold most of the gains they notched up since interest rates turned in mid-April, though there were mounting signs of weakness in the second half of the week.

The headline news, predictably, was the sharp drop in the prime rate, which fell nearly two points to 17 per cent, leaving its peak of 20 per cent far behind. But this was not the real story.

The fall in the prime has been much slower than other rates, and if the proper differentials were restored, the prime should now be at 13 per cent, doubtless it will continue to edge down to this level next week.

Wall Street was particularly encouraged by the FED's obvious willingness to see rates come down this fast. The central bank barely intervened in the market at all. In fact, its decision to eliminate the 3 per cent surcharge on the 13 per cent discount rate on Tuesday was another positive sign.

The latest indications are that the Fed wants to steady the overnight interbank rate at slightly over 10 per cent, though this is probably a holding action to allow the credit markets to sort themselves out.

The irony is that the stock market's euphoria came amid mounting indications that the looming recession will be sharper than first thought, and that corporate profits could be quite severely squeezed.

Unemployment is now up from 6.2 per cent to 7 per cent, and the leading economic indicators are down more than 2 per cent. Apart from prompting many Wall Street economists to revise their forecasts downwards, these trends also appear to be affecting the White House. An inspired leak in the Wall Street Journal yesterday said the White House has dropped its prediction of a "short and mild" recession and is now hunting for more appropriate phraseology.

Yesterday's fall in the rate of growth of the producer price index, from 1.4 per cent to 0.5 per cent provided some counterbalancing good news, though it had been widely predicted and came as no surprise. There would have to be at least another couple of months of similar figures before the market gives rein to hopes of beating inflation.

Meanwhile, though, the stock market may finally be taking account of the deteriorating climate. Interest rates hit something hard on Thursday afternoon and rebounded slightly, accounting to some extent for the slide in share prices that day. If that trend persists, the Dow Jones industrial average could be on its way back into the 700s before long.

A good illustration of the wonderland into which Wall Street had strayed earlier in the week came with General Motors' announcement on Tuesday that it was slashing its dividend by 60 cents to \$1.15. This was totally unexpected, and GM shares fell \$2½ to \$41⅛, dragging other motors down with them. But oddly enough, they rebounded and were back at \$42½ by the end of the day.

A high-flying stock this week was Liggett Group, the consumer products and liquor concern, which seems to be coming out ahead in what has become one of the messiest take-overs seen in the U.S. for a long time.

After vowing to fight Grand Metropolitan's \$50 a share bid every way it could, Liggett started divesting itself of various operations, and finally came up with a White Knight on Tuesday in the shape of Standard Brands, another consumer products concern. Standard is offering \$65 per share, but only for 45 per cent of Liggett stock.

The arbitragers had been gambling on precisely such a development. Liggett shares had already edged over \$50 (Grand Met's offer) before the Standard bid was announced. They then shot up to \$62.

Meanwhile, Grand Met launched its umpteenth suit in the battle amid speculation that it would come back with a higher offer.

Monday	816.30	+5.38
Tuesday	816.04	−0.26
Wednesday	821.25	+5.21
Thursday	815.19	−6.06

FINANCE AND THE FAMILY

Avoidance of CGT on Inherited property

BY OUR LEGAL STAFF

My grandmother died recently and left her house to my father, who lives at present in job-related accommodation (as defined by FA 1974, Sch 1 Para 4a).

My father is due to retire in eight years' time and were he to retire to that house there would be no question of any CGT liability under current legislation were he to sell it at a later date as *this would, it* seems, be covered by CGT Act 1979 s 101 (8). However, my father does not wish to retire to that house but wants to sell it on his retirement and buy another property in a different location. It would seem that he would be caught for CGT as part (b) of CGT Act 1979 s 101 (8) specfically states that to obtain exemption he should ". . . intend in due course to occupy the dwelling-house or *part of a dwelling-house as his* only or main residence." Do you agree with my interpretation and if so can you see any way in which CGT can be avoided?

If the house is furnished, perhaps your father could spend a weekend or two there, and elect for it to be treated as his main residence (from the day he first sleeps there). The election would cease to be effective when the house was let, but should entitle him to 24 *months'* relief when the house is sold, under the proposed amendment to section 102(2)(a) of the CGT Act.

Furthermore, provided that your father has no objection to living in the house for a short time after the final period of letting, it may well be possible *to satisfy the letter of section* 101(8)(b), despite his plans not to make it his final home.

No need to change a will

In my will I have left my house and the residue of my estate to my niece and nephey in equal shares. At the time of making the will, five years ago, it was anticipated that the house would be sold and the resulting money divided equally between them. They have now asked me, if they so wish, could they keep the house in their joint names and let *their mother, my sister who* also benefits under the will and is executrix, live in the house as long as she wishes, possibly at a nominal rent. Should I alter my will?

We see no reason why you should not leave your will as it stands, if you are content to leave the implementing of the new proposal to the discretion of the named beneficiaries. If you wish to impose an obliga*tion to allow their mother to* reside during her life, the appropriate provision would have to be altered. This can be done by a codicil to the will, executed with the same formalities as the will itself.

National savings stock register

I wanted to transfer certain government stocks from the Bank of England Register to the National Savings Stock Register. I have been told that this is not possible in the case of the stocks concerned; but have been unable to discover why, or *whether it will be possible at* some future date. Can you help please?

As we understand the position, the NSSR is confined, for the sake of economy, to some 50 representative stocks. New stocks, we are told, are not usually listed for about 6 months, and whether any particular stock is to be listed cannot be known in advance.

Assignment of a lease

***I am the landlord of a* property having sold a lease of one of the flats and am now being asked by the solicitors for the lessee to agree to an assignment of the lease to another. Am I entitled to make a charge for the grant of an assignment for the work involved and to ask for all the maintenance charges which are due to me under the terms of the agreement up to the date of grant of the assignment?**

Unless there is an absolute prohibition of assignments in the lease—which is most unlikely—you cannot charge for giving your consent, but you may be able to require payment of maintenance charges properly due at the date of the requirement.

Aircraft landing on a field

Would I need planning permission, or any other permission, to land a light aircraft in my own field?

It seems that there is no development which requires planning permission so long as no buildings are to be used in connection with the use of the field by the aircraft. You must of course guard against nuisance (e.g. by noise) as the field will not be a designated aerodrome.

A class F Land charge

A woman left her husband and had a Class F (matrimonial home) charge registered with the Legal Charge Department, Plymouth. She did not know *and says she was not told by* her solicitor that the house was registered.

Her husband then proceeded to sell the house to *a friend of* mine who has now been told that he has "not got good title to the property," and can be sued and even evicted for the woman's share of the property. Is this so?

If your friend purchased when there was a Class F land charge shown on the charges register of the title, then he took the land subject to the right protected by that entry; and he could indeed find that he would have to vacate the property, although it is more likely that the wife would have to accept a charge on the property to secure her interest in it instead *if she has been long out of* occupation.

Life assurance premiums

On April 14, 1975, I took out a 10 year life assurance policy with a non-resident company, the premiums being invested *in unit trusts.* I am aware that commencing with the tax year 1979/80, premiums are no longer eligible for UK life assurance premium tax relief. Can you please confirm that under existing and foreseeable legislation the proceeds of the policy in 1985 will be free of tax?

If you surrender the policy, or convert it into a paid-up policy for a reduced sum, the excess of the proceeds (of surrender or eventual maturity, as the case may be) over the premiums will be taxable under section 394 (1) (b) of the Income and Corporation Taxes Act 1970, as amended.

However, since the policy is apparently a qualifying policy (as defined in schedule 1 of the Taxes Act, as amended), we see no reason to expect that the protection currently given by *subsection 2 of section 394* of the Taxes Act will be withdrawn by 1985-86, if you keep up the premiums.

Irish CGT and the UK

In your reply under 'Irish CGT and the UK' (April 12) it is stated that the Canadians deduct 25 per cent non-resident shareholders' income tax from dividends. A few years ago I had some Canadian shares but only 10 per cent tax was deducted from dividends. Can you please let me know if the Canadians have altered the *rate to 25 per cent,* or are there different rates applicable *to* different shares?

The maximum rate of withholding tax on Canadian dividends paid to non-*residents* is at present 25 per cent, but this only applies to dividends paid by companies which are con*trolled by non-residents to the* extent of 75 per cent or more. For other Canadian companies, the rate of withholding tax for non-residents is 20 per cent.

For residents of the Irish Republic, the effect of article VI(I) of the Ireland-Canada double-taxation agreement of November 23, 1966, is to reduce these two rates of withholding tax to 15 per cent and 10 per cent respectively. The position is similar under the UK-Canada *agreements of* 1966 *and* 1978 for residents of the UK.

Spreading the risk

MINING

KENNETH MARSTON

"FREE MARKETS," said *Selection Trust's Mr. John du* Cane in his annual statement this week, "remain a most valuable attribute of the Western World despite their many imperfections." They can also produce symptoms about as welcome as a boil on the more tender parts of the anatomy for single-product mining companies which have to contend with wild metal price swings.

Still, as Mr. Du Cane said, this is something that the companies just have to live with and the best way of doing this is to spread the risks via a variety of mineral and industrial interests. Largely for this reason shares of the diversified mining houses tend to be higher priced than those of companies with single fixed-*life* mines.

Having increased profits fivefold over the past 10 years with the major assistance of its industrial acquisitions, the shape of Selection Trust's revenue picture is changing. Now that *the group's new mines are com*in gto full fruition, metals will figure much more prominently. But the group is going to make sure that no single mineral will contribute the major portion of revenue.

At the same time, it is to place emphasis on finding the next generation of mines, rather than buying further incomelproducing assets.

As Mr. Du Cane said, "mines still remain one of the safest forms of investment over time when based on good quality orebodies situated in stable areas . . . the group's grass roots exploration approach is the most effective way of *obtaining new orebodies.*"

In other words, Selection Trust is to become more dependent on the fruits of its mines than of anything else. It is backing the view—long held by this column—that when the world eventually pulls out of recession the resulting demand for metals will strain existing mine capacity. There has been little major increase during the past few years and metal prices will advance until the new, costly, capacity can be brought in, a process that could take several years.

Selection Trust's confidence in finding new mines springs from an excellent track record. This year, for example, the new Agnew nickel mine in Western Australia will be getting more into its stride while 1981 will see the start of commercial production at the Australian Teutonic Bore and the Canadian Selbaie (formerly Detour) copper-zinc-silver properties and the Alligator Ridge gold deposit in Nevada.

But in exploration, especially, you need a little bit of luck and Selection Trust must hope that it will continue to be blessed in this respect.

Meanwhile, as stockbrokers Laurence, Prust, say in their latest excellent currency and commodities review, "investment in the established mining groups is attractive in both the medium and long term."

Selection Trust shares are certainly worth picking up for the long term on the dull share-market days that we may be facing in the coming months.

Mr. Du Cane's comment on the virtues of "good quality orebodies situated in stable areas" is one that must have a bearing on Zimbabwe's desire to attract the mining men.

Seeking to reassure foreign investors, the countrys prime Minister, Mr. Mugabe, has said this week that his socialist government has no plans at this stage to interfere with the ownership or running of the countrys mining industry, nor to insist on a high reinvestment of its profits.

But he added that changes might become necessary in the future if they contributed to Government policies and the betterment of te welfare of the *masses.*

Sincere though his convictions are, Zimbabwe, or anywhere else, is not going to attract the huge capital investment that mining requires these days without specific guarantees. And in this high cost, high risk business, mining companies also require commensurate rewards.

These simple home truths are now appreciated, after some earlier misunderstandings, in *Australia which is seeing the* flowering of a truly exciting mineral industry. Sir Roderick Carnegie, chairman of Conzinc Riotinto of Australia, has made the point this week that overseas capital has played a vital role in Australias great resource developments.

Now he feels it is time for the Australians to provide more of the equiyt capital requirements which have been estimated at upwards of a cool A$20bn (£9.9bn) for the 1980s.

He feels that given suitable encouragement, such as ending the practice of taxing dividends which have been paid *out* of taxed earnings, the Australian investing public could play a much greater role, but foreign investment will still be needed.

In order to be able to continue the policy of using issues of shares to pay for further acquisition of assets, CRA is raising its authorised capital to A$300m with the creation of 150m new shares of 50 cents. At present there are 381.6m shares in issue.

Meanwhile, Sir Roderick has confirmed that there will be an early start of diamond mining on a small scale at the Ashton joint venture in Western Australia. He still expects CRA's total earnings this year to be at least ahead of those for 1979, but with the deepening U.S. recession they cannot be expected to maintain the good rate of increase that has been seen so far this year.

The importance of Clause 56

TAXATION

DAVID WAINMAN

THE PRESENT Finance Bill allows the setting up of unit trusts to invest in government securities and other fixed-interest instruments. Clause 56 contains the relevant provisions.

The previous disincentive had been a fiscal one. An authorised unit trust is taxed as if it were a company, which means that its income is liable to corporation tax at 52 per cent.

If we ignore the trust's expenses, and therefore assume that the trustees can distribute *every penny of income they* receive, we would, under the existing legislation, have seen a unit-holder suffering more tax on trust income deriving from government securities than would apply if he held those investments direct:—

Interest received, gross	£100
Less corporation tax (note that the £30 income tax deducted at source is taken as part payment of this)	52
	48
Distribution	48
Note that this would carry a tax credit at 30 per cent, viz	21
Equivalent "gross" ...	69

By treating the unit trust as a company, the taxman was enabled to take £22 more tax than would otherwise have been the case: at least this was the position for the standard rate taxpayer. A unit holder paying a marginal rate of 75 per cent would have been proportionately less heavily disadvantaged:—

Taxpayer receiving interest direct	£100
Less basic, higher and additional rates thereon	75
	£25
Unitholder receiving distribution	£48
Less higher and additional rates on equivalent gross of £69 ...	31
	£17

Clause 56 is designed to change this. It applies to authorised unit trusts the whole of whose funds must in accordance with their constitutions be *invested to earn* "United Kingdom public revenue dividends" or other interest or discounts.

It is also a precondition of authorisation that the trust must be open only to individuals —directly or indirectly. Every unitholder must be an individual, or a trustee *of* a trust from which only individuals can benefit, this being a neat way of bringing in pension trusts.

In parenthesis, we could note that the authorisation of a unit trust scheme is granted not by the Inland Revenue but by the Department of Trade. The department controls the trustees' entitlement to pay the manager's expenses out of the trust funds—and also to advertise and market units.

All authorised trusts have in the past been taxed as if they were companies. Now some are no longer to be taxed in this way.

And from this change there appear to spring a number of conceptual difficulties. We need to analyse just what is the legal relationship between the trustees and the unitholders, and to see how this is translated into their tax positions—in those cases where the trusts *tax is no longer to be assessed* as if it were a company, and its unitholders as if they were *shareholders receiving* dividends.

There is little dispute that a trust should strictly be seen as a "co-ownership" by the unitholders of the trust's assets. And using the word "co-ownership" itself is itself an indication that the trust is effectively *transparent.*

Some trustees on entirely different types of trust are empowered under their deed either to distribute income or to accumlate it, this being a course envisaged in trust law but also effective so far as concerns the beneficiaries' tax positions.

When income held back by the trustees in one year of assessment is then distributed in a later one, it is accepted by the taxmen that the distribution should be taxed as the beneficiary's income in that later period.

Company and tax law give companies, these being legal entities separate from their owners, a similar discretion *over the timing of their divi*dends to those owners. But tax law has never before given this flexibility where trustees have funds put into their hands by a "settlor" who has no real intention to divest himself of the funds concerned and "give" them for someone else's benefit.

Thus it certainly seems to be clear that the trustees of the "transparent" unit trust do not have the ability to distance unitholders from their underlying income. An appropriate proportion of each and every interest receipt in the trust is, automatically and immediately, the income of each unitholder. But this is only the first of the difficulties.

Under the old arrangements, the expenses of running a unit trust could be relieved for tax purposes against income in exactly the same way as can be done in an investment company — *the trust was subsumed* into corporate status.

Two consequences flow from the change now proposed. The trustees' disbursement of expenses out of the unitholders' income does not reduce the quantum of the income on which those last are taxed. But correspondingly, widows and orphans and pension trustees can, by using respectively their personal allowances and their tax exempt status, reclaim the income tax deducted at source *not only from the income which* they do receive but also from that which has been paid away before their distributions are made.

When we turn to capital gains tax, some logic reappears—but seemingly only at the expense of sense and equity. The "*transparent*" trust which we have described as a co-ownership *could* seemingly have left each unitholder liable on his proportion of each chargeable gain made on any trust asset. It could, but does not, because these *new* fixed interest unit trusts are still specifically required to be treated as companies for capital gains tax.

The trust is accordingly in future to be exempted from *capital gains tax.* But here the converse is that unitholders will be fully taxable. The unitholder whose gain on disposal of his units reflects largely the trusts gains on government securities will pay tax—which *he would not have paid had* he held these securities direct.

Since £3,000 of each individual's gains per annum are to be exempted, it may be thought that these capital gains proposals may not be wholly *unreasonable: but in relation to* this whole matter, a cynic might well question whether tax reforms are ever simpler or more satisfactory than the rules they replace.

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YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at an old stock market saying

See you in September

SELL IN May and Go Away . . . Buy Again On Leger Day." The first line of this couplet, if no longer on everybody's lips, is at least at the back of many minds about *now*. For dilettantes in the City and elsewhere it may do little more than inspire thoughts of long summer days watching cricket at Lords, racing at Royal Ascot, sailing at Cowes and bagging the first grouse on August 12. For others to whom such happy pastimes are the stuff of dreams the saying at least gives an added twist to the short-term outlook for stoc kmarkets.

The *theory, of course, is that* while the rich are busy living it up over the next few months, equity trading tails off and the stock market either stands still or drifts tback due to lack of interest. In other words, shrewd investors, should get out while the going is good and buy back some time in early September. (The St. Leger incidentally always takes place during the second week in September, this year on the 13th.)

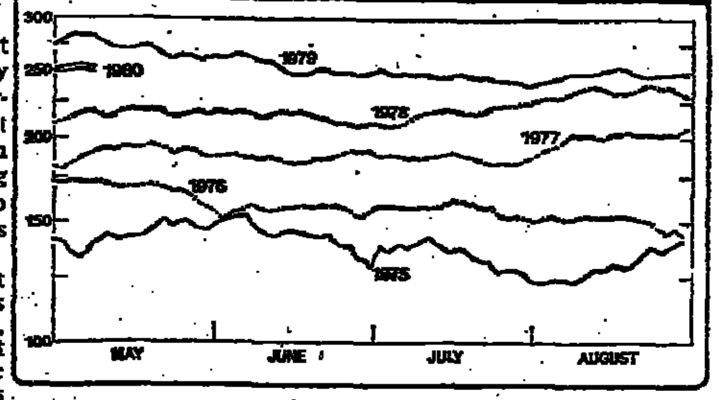
The days when large private clients dominated the Stock Market have disappeared but many people still believe the old adage nonetheless holds true. *What happens if we put it to the* test?

The accompanying chart shows the FT Actuaries All Share index for the past five years between the beginning of May and the end of August. It illustrates that if you had sold at the May peak in 1979, 1976 and *1975 your enjoyment of the* summer season would in no way have been diminished. If, on the other hand, you had adopted this bold strategy in 1978 or 1977, the strawberries at Wimbledon might not have tasted so sweet—you would have been climbing back into the market at a higher level. *On the evidence of the past five* years therefore the case for selling in May is by no means clear cut.

Mr. Brian Marber, of stockbrokers Simon and Coates has with the FT Industrial Ordinary Share Index made a more *exhaustive study* of *summers* since the Second World War. On the assumption that all sales in May were made at the highest point in that month, he has discovered that investors would have been successful on 17 occasions but 11 of the years would have proved "disastrous." *He describes three others as* "successful in the short term" and a further two as "inconclusive." The method on the basis of these statistics seems to have a better than even chance of success, especially since five bull markets (1951, 1961, 1972, 1976 and 1979) actually peaked in May or June. As you might expect, however, selling in May *is good in years when the market* has been going down but not such a clever idea when things have been on a rising trend. *At this* stage it's by no means clear which way things are going in 1980.

Mr. John Smith, a chartist at Manchester stock brokers Charlton Seal Dimmock and Co., has performed a somewhat different and more esoteric exercise for the years since 1968. Taking the percentage decline in the FT Industrial Ordinary Share Index from its May peak to the June/July/August low over the past 12 years, he finds that the average is minus 15.2 per cent. The percentage move, meanwhile, from the May peak to the June/July/August high, works out on average at minus 0.55 per cent. It therefore appears that the market has tended to slide over the summer months though much has depended, of course, on picking the May peak and the June/July/August low.

F.T.-ACTUARIES ALL-SHARE INDEX



Mr. Smith concludes from this in conjunction with other technical evidence that "while there can never be absolutes in stock market forecasting the probabilities do seem to favour selling during the coming weeks. It is still too early to state the market peak but the technical evidence suggests that a high will be made during the first half of May between 440 and 460. This likely to be followed by a 15 per cent decline lasting about 10 weeks."

One stockbroker unimpressed by this recommendation and a man whom ore than likely will be tuning in to Test matches at his Gresham Street office is Mr. Tony Richards, a private client partner at stockbroker, Quilter, Hilton Goodison. "This year I don't think investors will make money by staying away. I suspect that before September we will have seen more than just hints of a cut in Minimum Lending Rate. For this reason I expect that gilt prices will rise and equities will go with them."

An E-type not firing on all cylinders

COST OF REPAYING A £15,000 MORTGAGE OVER 25 YEARS BY A MAN AGED 34

	Legal and General Build-up £	Legal and General Build-up £	Legal and General Non-profit £	London Life Home loan £	Norwich Union Min. cost £
Basic sum assured	7,575	6,960	15,000	5,904	6,435
Est. surplus over £15,000 after 25 years	5,455	8,357	—	8,067*	7,747
Gross monthly premium	24.80	28.25	33.80	21.93	24.55

* Including terminal bonus at the present rate.

MORTGAGES

ERIC SHORT

BUYING a home is one investment which everybody is advised to make. It is generally considered the most important, and potentially the most rewarding decision of one's life.

So it is not surprising that life companies have been spending plenty of time and money trying to get in on the act. Many contracts have been designed over the years to meet the various needs of housebuyers and in particular to help repay mortgages.

Prominent among these has been Legal and General Assurance, the second largest life company in the UK, which has just launched its latest product the Build-up E plan. L and G is planning to back this up with a £½m TV advertising campaign, beginning on Monday week, which will set forth its range of house purchase contracts.

When repaying a mortgage, the housebuyer has two basic choices. Either he adopts the straight repayment method and repays his capital bit by bit to the building society. Or he uses the endowment method, where monthly payments to the building society comprise interest alone and the mortgage is repaid at the end of the term by means of an endowment assurance.

Life companies have devoted considerable effort to spelling out the attractions of the latter. But with many couples, especially first time housebuyers, the initial cost is all important and the endowment method is less attractive.

The answer of the life companies over a decade ago was to introduce the low cost endowment principle.

With a low cost scheme, the mortgage is repaid through a *with-profit* contract where the projected maturity value on 80 per cent of the current bonus rates, will repay the amount of the mortgage. The shortfall on eary death is made up by term assurance. This produces lower premiums than a non-profit contract and assuming bonus rates remain *constant or rise* the scheme should provide a surplus cash sum at the end.

L and G's Build-up E plan, by paying bonuses on only two-thirds of the basic sum assured, manages to achieve considerable reductions in the monthly premium paid—as seen in the table. The penalty to be paid, however, is that the cash sum left over is much lower. The table also shows that a non-profit plan is a non-starter for mortgage repayment.

Legal and General's publicity is, of course, likely to play up the lower premiums, but there is more to the launch than this. The existing low cost plan of the company—its normal Build-up—provides a high cash sum at *the end.* but the premium is uncompetitive, the result of L and G's bonus system. Something had to be done.

Another aspect must be considered. Some building societies have apparently been concerned about the falling proportion of the basic sum assured compared *with the mortgage covered*. After all, only the sum assured and declared bonuses are guaranteed.

The Woolwich Building Society is not happy to accept schemes where the basic sum assured is less than 42 per cent of the mortgage. A year ago, its limit was 45 per cent. *The new* L and G scheme however has a much higher basic sum assured.

Has L and G produced a winner? A *comparison* with other life company's low cost schemes, as shown in the table, would indicate that it has not. Both policies shown offer lower premiums and a *higher* cash pay out than Build-up E. The plan from London Life admittedly may not be acceptable to some societies, including the Woolwich, but the company does a special quotation in such cases.

Mr. Ted Tilly, L and G's life manager, reckons that in most *cases competition comes not* from other life companies. but simply from the straight repayment system. But he feels that Build-up E offers first time housebuyers a viable alternative to straight repayment while keeping building societies satisfied about the level of basic sum assured.

Nevertheless house buyers should be aware of alternatives and be prepared to shop around. The Office of Fair Trading, in 1976, agreed with the Building Societies Association that within limits, housebuyers can use a life company of its choice.

Fears that keep managers awake in the night

INVESTMENT

TIM DICKSON

INVESTMENT TRUST directors have two overriding fears. One is that pension funds or some other cash-rich institution will *pop in an opportunistic bid for* their company; the other is that their own shareholders may attempt to realise the underlying value of their investment by demanding unitisation.

The reason for both fears, of course, is the investment trust "discount"—the gap between *most investment trusts' share* prices and the value of their underlying investments.

A couple of years ago pension fund bids provided most of the nightmare material but recently unitisation has become the bigger talking point. The happenings at Mercantile Investment Trust, where some shareholders for two years now have been pressuring the board and canvassing unitisation as one way of reducing the discount, is the most dramatic example of this.

Other test cases, are also on the table, notably Govett European, *whose directors are* drawing up a unitisation scheme, and Carliol and Tyneside Investment Trusts, where Rothschild Investment Trust is behind similar plans involving Target Trust Managers its subsidiary.

Investment trusts' big worry, of course, is that investment trust shareholders turned unit trust unitholders will immediately take the opportunity to sell their units at asset values, thus *diminishing* the unit trust portfolios and the rewards of management. But is this the case?

Mr. Graham Barker, an investment manager at Rothschild Asset Management, recalls that when New Court European Investment Trust was unitised into the existing New Court *International Trust, about* 6.5m of the 18.5m units in the new combined fund were cashed in within the first five weeks.

The fate of the £3.5m Second Broadmount Investment Trust, which was taken into Target *Growth* unit trust in April, 1978, illustrates a slightly more hopeful outcome from the managers' point of view. Mr. Ian Sampson, Target's managing director, says that in a phased programme over two years the trust lost all its institutional holders (*representing* about 60 per cent of the assets) but the private individuals stayed on.

Option call thrown out

THOUSANDS OF old people will be the losers after a Lords *decision last week* to reject an amendment to the Social Security Bill. The amendment, which was defeated by 61 votes to 49 was designed to extend the option mortgage to those of retirement age and above who take out so called home income plans.

For a number of reasons—notably that the issue was not strictly relevant to Social Security, that tax reliefs don't necessarily have matching subsidies and that the option mortgage was designed to encourage home ownership—the Government has for the moment quashed this idea.

Nonetheless home income plans are well worth considering in certain circumstances, though applicants should almost certainly be aged at least 70 to get a reasonable deal. Companies which offer suitable schemes include Hambro Provident, Save and Prosper and Home Reversions.

Hinton and Wild (Insurance) Ltd. is a firm of brokers which specialises in this field. Its address is: 374-378 Ewell Road, Tolworth, Surbiton, Surrey. Telephone 01-390 4666.

T.D.

PROPERTY

Getting the best of both worlds

BY JOE RENNISON

WHAT KIND of house would you choose to live in if you had unlimited choice and the necessary money? It is a question I have asked many people over the years and have received a multitude of answers. But one of the answers that has cropped up more and than most others—in fact all others—is on the lines of: "Oh I would love a nice country/village cottage."

Such a property seems to be the Ur house of many English people. This is reflected in almost every advertisement or glossy magazine feature extolling the pleasures of country life. There in the background is the beamed cottage, usually thatched, with roses and honeysuckle around the door. Probably it is the brutality and the architectural brutalism of many of our cities and new towns that make people yearn for this ideal home.

The reality is, however, often somewhat different. It will probably take an awful lot of care and attention: the walls and the floors are crooked: draughts whistle across the rooms: the plumbing is less than ideal; inconvenience reigns.

So if you do want all the conveniences that go with modern living yet still hanker after the old cottage ambience what do you do? One company that thinks it has come to the ideal solution is the Bedfordshire-based Potton Timber Engineering Company. The idea is to combine some aspects of traditional construction methods *and decorative features with all* mod cons of the modern home.

Some may object that this design approach is basically dishonest, smacking of the kind of bogus old world charm that many pub architects try, usually unsuccessfully, to produce in modern buildings. But was ever thus: why was Victorian Gothic so called, why is the most popular design for modern "executive homes" described as Regency style?: why, for goodness sake, the Brighton Pavilion?

But two things make the Potton product attractive. It is based on a well tried and successful method of construction dating back to the Middle Ages and the interior and exterior appearance of the finished house can be made to suit the individual buyer's taste.

It is, of course, of timber frame construction. But of a kind that has not been attempted in this country for many a year. (Tmber frame today simply means that the structure is built of a shell of ordinary bits of three by four and two by two, etc, and covered by plasterboard.)

In this case the *method* as well as the material is as used in ancient custom. The material, wood, is also used to great decorative effect.

One of the architects responsible for the design, Mr. Leon Easter, described the historical basis of the concept thus: "The *basic plan derives from a combination* of two architectual precedents: the aisled hall and the later central fireplace house. These forms and their variants are the basis of most Engish timber framed houses from the Conquest to the 19th century. They are rarely combined, but an unusual combination of the two exists near Ongar in Essex and dates from the early 17th century.

The aisled hall originated during the Saxon period at the highest social level and archaeological evidence suggests that this form of construction was in general use in the eastern half of the country to accommodate all living quarters.

The central fireplace plan was used throughout the social *scale, after the introduction of* chimney stacks, and its simplest form is two symmetrical bays set each side of a smaller chimney bay. Again, it is most common in the eastern counties and was popular among the New England colonists of the 17th century. Modern technology has enabled us to modify the design of the traditional structure by the use of the cantilever principle, thus optimising the use of timber whilst maintaining the scale, feeling and spatial flow of the originals.

Cantilever cross frames are employed to carry all first floor loads and most of the roof, leaving internal divisions largely a matter of choice. Also, the external flank walls are very *lightly loaded, leaving ample* opportunity for simple alterations or extensions in the future.

The main frames and end walls enclose a series of 3.4 metre square spaces, extended on each side of the "aisles." The squares are either joined directly, one to another, to make large rooms, or are linked and articulated by the standard stair or fireplace bays.

The number of plans made possible by this process is by no means finite and can quite simply progress in size from the smallest to a large "E" shaped "*farmhouse*" *layout.*

The structural grid is carefully related to the room sizes of traditional domestic buildings. Since these buildings formed the nucleus of most of our *villages and town centres, it* follows that the system is ideally suited to the provision of sympathetic additions within conservation areas, e.g. *shopping* arcades, assembly rooms, public houses etc.

The form, scale and character of the past is simply and honestly achieved, whilst the plan, fitting out and external appearance, *are left entirely to* the discretion of the individual designer.

How well will it work? In the show house that I saw it seemed to work extremely well. Once one can accept that the house is based on planting massive timber uprights and cross beams in a fixed pattern (these days usually sunk into a concrete platform) then to realise that there is great flexibility with these beams make it seem simple. (Incidentally the opinion often put forward that timber framed houses must be a great fire risk has long since been scotched).

As you will see from the photographs the house is a fairly elegant thing to look at. It would fit in remarkably well at many a village or even town setting.

What happens inside, however, is probably more important particularly for the housewife. Well there is everything here she could possibly need. The cons can be as mod as anyone would want.

It is not cheap—but not all that that expensive. Pottons is aiming at the middle/upper market. Costs of construction are estimated at £22 to £24 a square foot *not counting the* cost of the plot or garage and some external works. The house in the photograph is roughly a *2,000 square foot effort so work* it out for yourselves.

The variations on the theme are many. They can start from a simple box cottage to the E-type described above — eight different designs have already been worked out.

Potton simply provides the shel and the internal timber work such as doors, archtraves and skirtings. The internal arrangement and the external veneer is up to the customer.

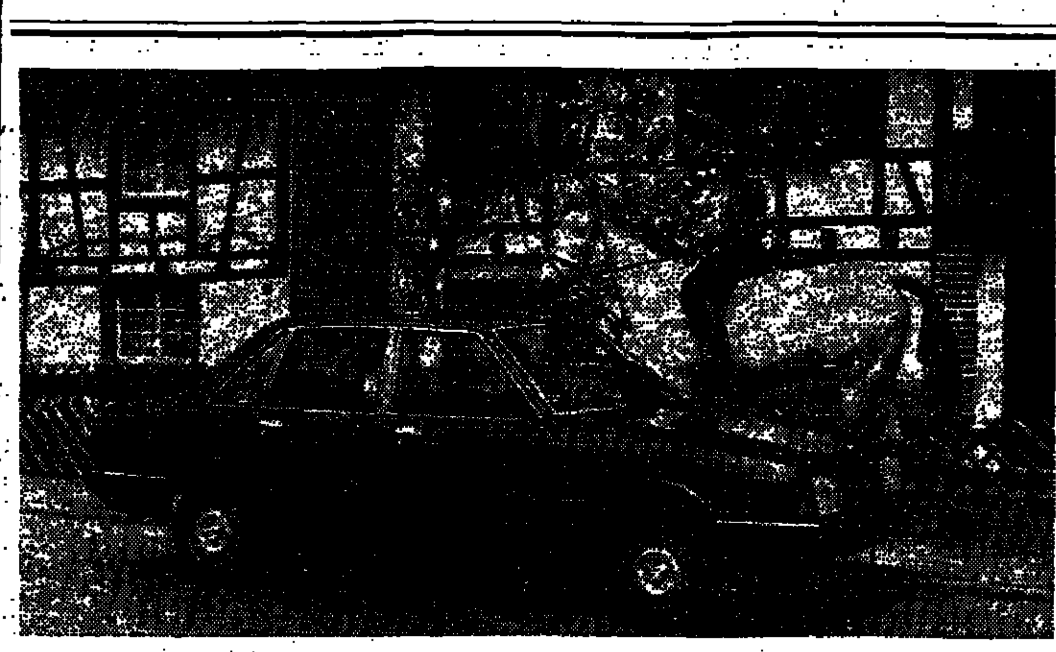
The product will be sold in different ways. The most obvious is through the developer builder who has a plot and can give permission for this kind of house. The buyer can still *put forward* his personal requirements. The second is from a buyer with a plot (and *planning permission*) who would employ a local bulder to complete the shell. There are many variations on *these two themes* still to be investigated.

Potton Timber is at Eltisley Road, Great Gransden, Sandy, Bedfordshire.

The "Heritage" show-home with (right) the si nglenook fireplace which is a feature of the design.

RESIDENTIAL PROPERTY ALSO APPEARS TODAY on Page 17

MOTORING



The Talbot Solara—a three-box version of the original Alpine hatchback—goes on sale in Britain on Monday.

A change of fashion

BY STUART MARSHALL

FASHIONS come and fashions go, in cars as well as in clothing. A few years ago all the motor manufacturers were rushing to bring out hatchbacks. Now the hatchback is in retreat and the makers are bringing out three-box (bonnet, body and boot) developments of cars that started life with lift-up tails.

Some typical examples are the Volkswagen Derby, which began as the Polo hatchback; the VW Jetta (the Golf); and the Saab 900 saloon (the hatchback Combi with a new tail). Renault, who started the faimly hatchback trend with their 16 in the late 1960s, offer their latest 18 only as a saloon or full estate car. And now come Talbot with the Solara, which as the hatchback Alpine was Car of the Year in 1976.

As Saab pointed out at Geneva Show in March when their 900 saloon made its debut, the total European market for cars of its size is 1.8m but only 200,000 buyers choose hatchbacks. (In passing, it looks as though BL, who have had a lot of stick for not making the Princess as a hatchback, may have ben right after all.)

In theory, the hatchback gives a saloon car the adaptability of an estate without its unattractive boxy look. Why has it been less than a sweeping success in the mid-to-upper size range? It is an open question.

Some say hatchbacks are noisier than cars with boots and that luggage carried in them is more likely to be stolen. I suppose there is something in this, though most hatchbacks have shelves which conceal the bags underneath. To my mind, the great disadvantage of a hatchback shows when you compare it with an estate, not a salon. Most of them, for structural reasons, have high rear sills.

If you have ever tried lifting a rotary mower into a high-silled hatchback, you will know it is as difficult as trying to hump it into a boot. There are, of course, some honourable exceptions. The Saab 99 and 900, for example, have no sills at all and are as convenient to push heavy things into as any estate care.

Talbot, whose new Solara I drove in four countries (Switzerland, Liechtenstein, Austria and Germany) in as many hours last week, told me it was quieter than the Alpine from which it has sprung. As it is a couple of years since I last drove an Alpine, I must take their word for it. But I can confirm that the Solera was an unruffled autobahn cruiser at 90 mph and more.

I tried three versions — the £4,266 GL with four-speed gearbox and single-choke carburetter 1.6 litre engine producing 72 horsepower; and the 5-speed GLS and automatic transmission SX (£5,642 and £6,370 respectively) with a twin-choke carburetter 1.6 litre engine developing 87 horsepower.

They are pleasing cars, typically French in having long-travel suspension that gives an excellent ride on rough roads but without the roll on corners that sometimes goes with it. The rack and pinion steering is sharp — the optional extra power assisted layout on the SX was particularly good—and the performance is lively. The four-speed and five-speed cars have much the same maximum (around 100 mph) but the overdrive fifth gives better fuel consumption.

The Solara is at least as economical as most of its obvious rivals — Talbot compare it with cars like the Audi 80, Peugeot 305, Renault 18 and Opel Ascona. The optional extra electronic trip computer of the SX automatic showed I was averaging a little over 30 mpg despite some fairly hard driving. The five-speed manual GLS should easily exceed 35 mpg on a normal run.

I found the squashy, cloth-upholstered seats very comfortable. Visibility is good, the control layout convenient and the interior nicely finished. The one-piece moulded roof lining is particularly neat. The back seat has space for a third person and legroom is ample. The almost 13 gallon tank is between the rear wheels and the spare tyre protects it from rear-end collisions. But this does make the boot floor high and luggage capacity is adequate rather than outstanding.

All the Solaras for Britain will be assembled at the Ryton plant, near Coventry, and will have 65 per cent local content —five per cent more than the Alpine. Talbot expect the Solara to outsell the Alpine two-to-one this year. Here, the car they will have to beat, especially to make a mark in fleet sales, is the Cortina. They reckon the Solara is better looking and has a nicer interior. What is beyond argument is that it has a better ride. Its gearshift is not as good as the Cortina's but you can't buy a five-speed Cortina—yet.

TRAVEL

Aspects of Crete

BY SYLVIE NICKELS

OUR VILLA—one of a block of three—sat almost alone on the hillside among the gorse and thyme and carob trees. Our only non-villa neighbour was a peasant farmer whose herds of goats tinkled their bells in the dusk and whose wife came and "did" for us every day but Sundays.

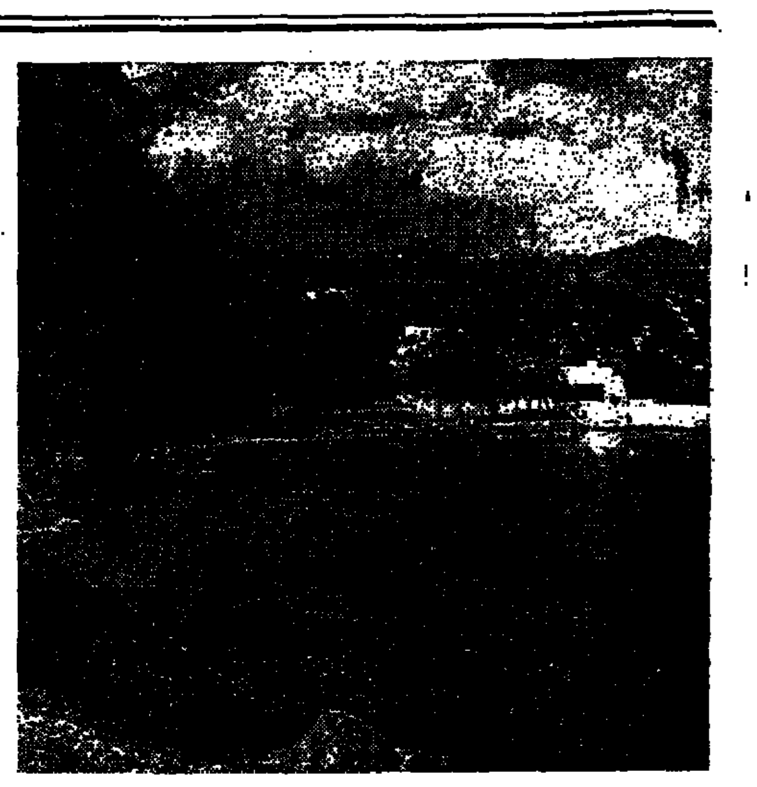
We were in Crete and it was April—a delicious month, except for the periodically strong winds, for nature really was busting out al over. The exuberant profusion of un-nameable shrubs and plants provided the botanist in our party with just as much excitement as the varied bird life gave me.

But you do not have to be a bird or flower fanatic, or even an archaeologist to enjoy Crete. The scenery is among the most memorable in the Mediterranian, the people are warm and—to judge by the almost exclusively English language foreign signs—seem to like us, and most of the island is still barely commercialised.

Our Cretan home was among the offerings of Meon Villa Holidays. It is the company's first season in Crete, but it has been in the business more than ten years. Crete is about 160 miles long by 36 miles wide, is a substantial island, offering visual variety that is matched by a compound of historic influences subtly reflected in regional styles of life. In addition to the mysterious and highly civilised Minoans of 3,000-4,000 years ago, the Hellnes, Romans, Byzantines, Saracens, Genoese, Venetians, Turks, have all left their mark. An extra week could most profitably be spent in a quite different part of the island.

We opted for the eastern end, a few miles from Agios Nikolaos (about 70 km. east of the capital, Heraklion), described as the "most sophisticated" of the resort areas. This means it has plenty of waterside tavernas by the harbour and beaches, but the developments sprouting round the edges are still, thank heavens, relatively modest in size and number. We divided our meals between self-catering and the tavernas.

Shopping, as always abroad, was fun with prices reasonable and the shopkeepers apparently enjoying it as much as we did. Though we had no indelibly memorable taverna meals, the Greek salads were always good, the charcoal grills tasty, the wine and *ouzo* cheap, local fruit juices excellent and coffee thick and strong.



Aghios Nicolaos

Meon provides a food hamper in its villas which is ample for the first main meal (including wine) and breakfast, with quite a lot left over. It also arranges maid service six days a week and provides a car with unlimited mileage which we put to full use. With four of us, the local costs, covering all food and petrol worked out at about £30 per week each.

The villa package, with return flight and car, for each of four for two weeks ranges from about £300-£450 depending on the season and the villa's amenities, but all include mod. cons. In fact, high summer season, as always the most expensive, is not the ideal unless you really revel in intense heat and accept the *meltemi*, a hot, strong wind that blows regularly. As this is its first season, Meon is also offering concessionary rates.

The eastern part of the island is the most Minoan, but one of the pleasures for the less archaeologically-minded is that so many ruins are unguarded and have spectacular sites. Lato, a bumpy 5 km drive or 50-minute walk from Kritsa, is one such place within a very short drive of Agios Nikolaos.

Kritsa itself, which is touristy but charming, has a church with fine 14th-15th century frescoes. The beach of Vai on the east coast, where a gully-full of palm trees tumbles down to the sands was another of our destinations.

On the way we paused at Gournia, one more extensive and fragrant Minoan site, and Sitia, an attractive, rather sleepy port where we bought fresh prawns for the day's picnic.

With tiers of mountains reaching for the sky at up to 8,000 feet and steep roads achieving the most extravagant contortions, there is no such thing as a boring drive in Crete.

Most surfaces are good or adequate; but keep an eye open for potholes—and for such rural distractions as women spinning yarn in the shade of olive trees, or peasants tending their beehives in the middle of a humming nowhere, or the ubiquitous goat tethered to the ubiquitous donkey plodding to some invisible home, or sudden encounters with a woolly tide of sheep.

We went to Knossos. The sheer size of the place, with its staircases linking many levels, its pasages and its remarkable drainage system is staggering. Most of the artefacts from here and other sites are in the archaeological museum at Heraklion where the level of craftsmanship and design can only inspire admiration for a distant world about which most of us know very little.

It was the roomful of clay bath tubs, also used for burials and complete with plughole, that I found particularly endearing. For all our echnological advances, the basic essentials haven't changed much over the years.

Further information: National Tourist Organisation of Greece, 195-197 Regent Street, London, W1; Meon Villa Holidays, 32 High Street, Petersfield, Hampshire GU32 3JL.

TRAVEL

MOTOR CARS

STAMPS

The largest stamp exhibition ever held in Britain, 'London 1980' (Earls Court until May 14) shows that London is still the world's philatelic capital and centre of a multi-million pound business.

Huge scope for world's collectors

LONDON'S POSITION as the Mecca of philately is heavily underlined this week with the staging of the international exhibition at Earl's Court—the ninth to be held in London over the past 90 years and undoubtedly the biggest and best ever.

In every sense, this exhibition has outshone its predecessors, not only in Britain but in every other country as well. With about 4,000 frames of exhibits to get round, the visitor will require the staying power of a marathon runner, while the value of the stamps exhibited in the Court of Honour alone runs into eight figures.

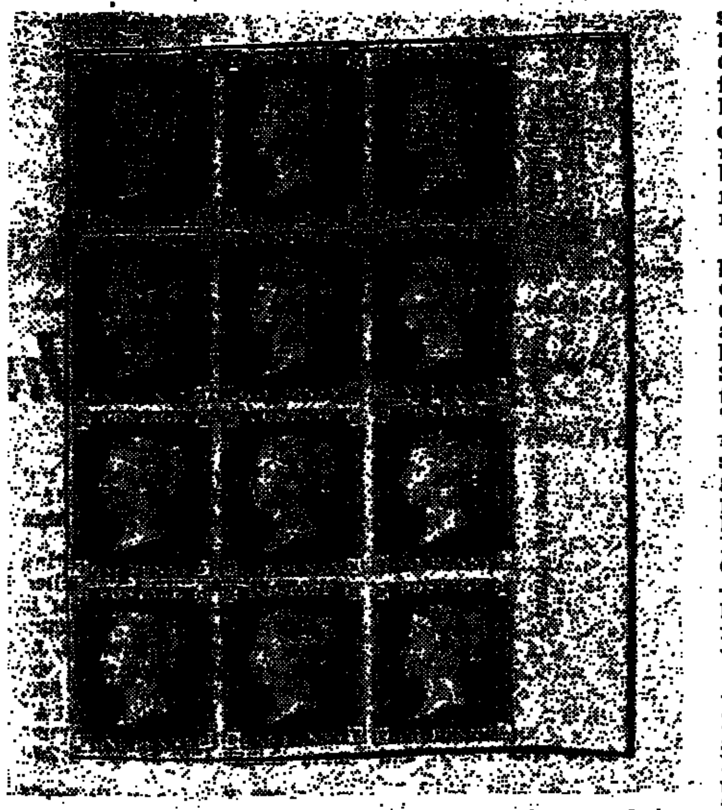
About 200 dealers from all over the world have taken stands, and those who were unlucky in the ballot for space will be found at the "overflow" exhibition now on at Caxton Hall, a short Tube ride away from the main venue. The British Post Office has excelled itself, with a huge display area on two floors and an exhibition Post Office with 24 counter positions (manned by specially-trained philatelic staff from all over the country).

Overseas participation is on a stupendous scale, with no fewer than 57 postal administrations, as well as the larger bureaux such as the Crown Agents and the Inter-Governmental Philatelic Corporation, occupying stands.

Most, if not all, of these overseas postal administrations are offering a full counter service, selling stamps, booklets, stationery, first-day-covers and miniature sheets. No fewer than 22 of the Crown Agents territories, ranging from Ascension to the Yemen People's Democratic Republic, have issued stamps in honour of the exhibition, and probably a similar number of other countries, in and out of the Commonwealth, have produced their own philatelic tributes.

The British Post Office has contributed a handsome series of stamps depicting London *landmarks, and a miniature* sheet version of the outsize 50p stamp (issued last month) with its montage of London's best-known buildings. Pictorial postmarks of different designs are being used at the Post Office stand each day, while many of the overseas countries have arranged First Day ceremonies on their stands, in connection with stamps being released during the period of the exhibition.

Three printers have arranged working demonstrations of the various printing processes and have produced souvenir sheets. All in all, the collector amassing *everything remotely connected* with "London, 1980," will require several albums to house his acquisitions.



The London 1980 exhibition marks the 140th anniversary of the Penny Black. *This block, which originally cost a shilling, is valued at more than £100,000 today.*

The exhibition demonstrates quite forcibly the resilience and buoyancy of the international stamp market. It is by far the largest display of confidence in the continuing prospects for the market in those gaily-coloured scraps of paper. The turnover of the London dealers and auctioneers alone has long since ceased to be measurable. "Astronomical" is an overworked cliche, but it is the only term that truly describes the sum *involved.*

A report by James Mackay

At one end of the scale are the super-rarities, like the unique 1 cent black on magenta of British Guiana which was sold last month for just under £500,000—making it the most valuable man-made object on earth, in proportion to its size and weight. Stamps of this calibre tend to be in museum collections or owned by syndicates of businessmen and union pension funds. The last time it came on the market, exactly a decade ago it fetched £116,000, so its latest price indicates that stamps are, indeed, as good a hedge against inflation as anything else (and a great deal better than most).

At the other end of the scale, however, stamp collecting remians the only acquisitive hobby which need cost absolutely nothing at all. Most of the 30-odd commemoratives scheduled for issue in Britain this year will turn up on the mail of the average home or office, and just now collectors are being kept on their toes by the changeover to phosphorised paper.

The same story, with local variants, could be told for most of the larger countries in which a surprisingly high volume of mail continues to be prepaid with adhesives, even in this age of meter franking. Consequently there is a continuous flow of collectable material to attract new collectors and to sustain the interest of those on the most meagre of budgets.

It is this broad base, computed by one expert as approaching 100m collectors worldwide, which gives philately its global reliability and this, in turn, enables the international market to weather recession and *depression. Looking back half* a century, when philately was conducted on a very much smaller scale, it stood up remarkably well to the Wall Street crash and the ensuing period of worldwide depression.

Times are hard, one cannot deny, but there is an air of confidence in the stamp world in spite of everything. A year ago there was an almost aggressive quality about the market and a frenetic atmosphere in which both dealers and collectors were overtaken by *the* investment mania and crazy prices were being fetched at auction for material which was often mediocre.

To speak of a slump *after* a period of boom would be an exaggeration, but there was a definite downturn in the mar- aspects of British stamps, in ket, particularly in certain September-November, 1979, and the last time the Financial Times conducted a survey of the market it was rather difficult to say how far this slide would go. But even as some gloomy pundits were predicting the bottom falling right out of the British Georgian market—George V and George VI stamps —there were indications, in the leading provincial auction rooms at any rate, that the tide was turning.

That barometer of investment, the Postal Union Congress £1 of 1929, toppled from a peak of £2,000 last August to about £600 but has since climbed through the £1,000 barrier again. What is probably more significant, however, is the fact that fine used examples of this stamp, always rated far less than mint, did not suffer the severe effects of the slump and have even moved ahead from £650 to £790 in the past month or so.

The steadiness of the Britsh market is borne out by the latest edition of Stanley Gibbons handy paperback *Collect British Stamps.* There are some notable increases, particularly *in* the Edwardian issues, although in many cases the changes reflect steady progress rather than sensational gains.

The Penny Black is up to £2,500 from £2,250 unused, the 1d red-brown imperforate is now £120 unused from £110, and prices for used "blacks" and "reds" remain stable at £140 and £1 respectively. The 1847 embossed stamps are all increased by £250 unused and there are significant increases in many of the surface-printed nearer the present day, the ever-popular Wembley Exhibition issues of 1924-25 are raised to £28 unused, £27 used for the 1924 pair, and £80 mint and £70 used for the 1925 pair (face value 2½d in old money).

It has been fashionable for some time to knock hte modern issues as investment fodder, but this is the material which forms the bulk of most collections and this is where the bulk of current interest lies. The three stamps issued for the last international exhibiton in 1970 have increased from £1.08 to £1.33 in recent months—a gain which may have been inspired by renewed interest in stamps commemorating international exhibitions. Though the increase is only a matter of pence, in percentage terms it is noteworthy.

This bears out the findings of Maxwell Stamp Associates in conjunction with P-E Consulting Group who have just published their analysis of price movements* (£5 plus 25p from Maxwell Stamp Associates, 55-63, Goswell Road, London, EC1V 7PT). Contrary to widely held belief, they show that prices for cheap modern stamps (post-1900) have actually risen faster than those of the more expensive pre-1900 stamps.

What is probably more significant, however, is that prices for mint Commonwealth stamps continued to rise quite dramatically last year, with Britain and Australia heading the list, and Canada, New Zealand and South Africa all performing better than average. Just why some countries' stamps have done better than others is hard to say but Maxwell considers inflation to be the main determining factor.

Of the seven major industrial countries considered, the United Kingdom, with the highest rate of inflation since 1960, shows the greatest appreciation in stamp prices, while Switzerland with the lowest shows the least growth in values.

* *Stamp Price Movements 1960-79, Maxwell Stamp Associates, 55-63, Goswell Road, London, EC1V 7PT, price £5 plus 25p postage.*

Banknotes and playing cards eagerly sought

NO HOBBY is an island, entire *of itself,* and *philately is* certainly no exception. Quite apart from the by-ways of stamp collecting there are several collectable subjects that are akin to it in many respects.

They share with stamps certain characteristics which are now attracting the serious attention of collectors, dealers and investors. Like stamps they are small, two-dimensional and easily transportable—factors alone which tend to promote international marketability. Many of them have important historical and artistic significance, they possess similar aesthetic qualities, beauty and colour.

They may not all be old, but they are in limited supply, a quality that tends to grow the older they are. And a very sig*nificant factor which links these* newer collectables with stamps is that they attract the same people, or the same kind of people, who develop a genuine *feeling for the things they* accumulate.

Michael G. Marsh, who runs Troy Management of Geneva and offers advice to would-be collectors, sums it up very well: "They do not so easily part with their collections. They understand that they own part of history; works of art that cannot easily, if at all, be replaced. The rarest, most sought-after pieces, become their most prized possessions; they are collectors with a passion."

These newer collectables include paper money, stock and share certificates, maps, plans and charts, playing cards, tarot cards and gaming cards. Their common factors are age, portability, historical value, artistic beauty and just the right availability to stimulate interest and create a firm international market. In 1961 the International Banknote Society was formed with three members. A decade ago, when Colin Narbeth coined the word notaphily and Stanley Gibbons were prepared to take a gamble with it, there were perhaps 100 serious collectors in Britain. *Today* there are more than 5,00 0serious collectors in Britain and Stanley Gibbons *Currency has now diversified* into other areas.

A sure sign of a growing collectors' market is the emergence of a pseudo-scientific name. Scripophily was coined two years ago to denote the collecting of bonds and share certificates. Busted bonds, not so long ago regarded as worthless wallpaper, have now exceeded their original promoters' wildest dreams.

There is now the Bond and Share Society catering to scripophilists and Gibbons share the market with firms such as Bond Art and the London Scripophily Centre of 5 Albemarle Street, W1. Already some of the rarest bonds have fetched more than £1,000 at auction, but there are *still* plenty of certificates in *the* £5-£25 price range, though how long this situation will last is anyone's guess.

Elusive

Rare banknotes which could be bought for a crisp new fiver a few short years ago have risen 20-fold and more. Even the *Notgeld,* issued in such profusion during Germany's hyperinflation of 1922-23, is much more elusive these days and is worth real money at last. Now collectors are examining the potential of old cheques and although this has not yet been graced with a name it flourishes on both sides of the Atlantic. Already there are several specialist dealers (as well as a separate department at SG Currency) and the British Cheque Collectors Society, details of which may be obtained from *Banking Memorabilia, 2 Bank* Street, Carlisle.

Banknotes, bonds and cheques have a great deal in common with stamps. They are analogous forms of security printing, involving the same techniques of intaglio, letterpress and lithography, with watermarks and other *similar* security features, engraved and printed by the same companies who even, on some occasions, used the same designs. Both bonds and cheques were subject to stamp duty and were frequently embellished with fiscal stamps which *had already attracted the attention* of the Cinderella philatelists; so it was but a short step from the stamps to the documents themselves.

In a similar fashion a study of stamps and postmarks which just happened to adorn the postcards in Edwardian albums has sidetracked many a philatelist *into the mysteries and charms* of deltiology, or postcard-collecting.

Although deltiologists often find it hard to understand *why* a PHQ card (postcards published by postal headquarters) issued in 1973 should be worth more than a Mucha or Kirchner original of the turn *of the century, postcard-collecting has grown* tremendously in the past five years alone and now boasts two excellent annual catalogues, a score of specialist dealers and a rapidly-expanding literature dedicated to exploring the subtleties of artists' signatures, publishers' imprints and animated street scenes.

Pictorial *envelopes and publicity* labels have long been studied and collected by philatelists but this interest is now leading them into the realms of billheads and trade cards, labelling and packaging. After all, the same fine qualities of engraving that distinguish the stamps, banknotes, bonds, cheques *and playing cards* printed by De La Rue are to be found in their labels for a well-known brand of sauce and a number of famous beers.

Many of the collectors visiting "London 1980" will take the opportunity of also visiting the Guildhall Library and seeing the exhibition (until the end of this month) of bond and share certificates illustrating London's role as a major financial centre throughout history.

This is also World Ephemera Year and Sotheby's are organising an exhibition in Kensington Town Hall, Septem*ber 8-13, in conjunction with* the World Ephemera Congress. Security printing is only one aspect of ephemera, of course, but every kind, from stamps and stickers to stock certificates, will be well represented.

STAMPS

Complexities of the modern stamp

THE CLASSIC line-engraved stamps of Britain were in use for 40 years and during that period countless variations in paper, shade, watermark, engraving and plate were produced. It is not surprising that many philatelists have devoted a lifetime to the study of these stamps and, even now, a century after they went off sale, there is still a great deal of research needing to be done.

Many of the specialists in this increasingly expensive field would despise the current Machin series as hardly meriting a second glance. With all the technology of modern high-speed printing available, how would these stamps possibly have the same scope as the Penny Blacks and Penny Reds?

The answer is that they can and do. The modern definitive stamp is infinitely more complicated than its Victorian counterpart, simply because so much more is expected of it. A Penny Red indicated nothing more than the prepayment of the postage on a letter, but a modern stamp plays a vital role in the sorting of letters and their segregation into first and second-class mail. Sophisticated electronic equipment is used in the mechanised letter offices and correct scanning of the stamp provides the key to the whole complex procedure.

Fundamentally, most stamps were printed with two vertical phosphor bands to denote first-class mail while the denomination prepaying the second-class rate had only one. Take the 8p stamp, for example. When it prepaid the second-class rate until February this year it could be found with a single phosphor band—usually straight down the centre but sometimes on the left or right hand sides, the latter variants being relatively scarce and thus meriting a high premium among collectors.

But centre-band 8p stamps themselves may be sub-divided into at least half a dozen types. Most of them were printed by Harrison and Sons, but an emergency printing just before the rate changed resulted in the distinctive variety produced by Enschede of Holland. Moreover, at least four "heads" have been used, depending on which negatives were used in building up the multi-positives from which the stamps were printed, and these may be further divided into high or low, depending on the space between the lower side of the Queen's bust and the margin of the design.

Then there is the paper, which may be OCP (original coated paper) FCP (fluorescent coated paper) or AOP (all over phosphor). The last-named has a very strong ultra-violet reaction making it unsuitable for the second clas rate, hence the necessity to add phosphor bands as well. The 10p stamp exists on phosphor-coated paper plus a single band and currently rates £1.50—a handsome premium over face value but a good investment when it is remembered that the 5d AOP stamp plus two phosphor bands now fetches up to £275!

Another dimension is added by the gum (which may be an argument in favour of sticking to used stamps). Here the possible variants are G A(gum arabic), PVA (polyvinyl alcohol) and PVAD (polyvinyl alcohol with added dextrin). To the layman these can be identified as glossy, matt or invisible, and green-tinted respectively. Needless to say, this greatly increases the possible number of combinations and permutations, and inevitably some stamps are exceedingly scarce.

As if this were not enough, however, there are the further complications of sheet-fed and reel-fed stamps, on Thrissell, *Rembradnt*, *Jumelle* and Chambon presses—all producing their subtle contributions to the minutiae of modern stamps. Those specialists who really get into the subject can distinguish the length and width of the phosphor bands, whether they were produced by letterpress or photogravure and, if the latter, whether from 150-screen or 250-screen.

Dedicated

Then there is the problem of sorting out the phosphor colours. To most of us these bands are all but invisible, let alone distinguishable by colour, but the totally dedicated philatelist seems to live in a perpetual afterglow of ultra-violet light and happily sorts his stamps according to the Angstrom units of radiation!

Sceptics often wonder whether it is all worth the effort and whether the phosphor bands will not fade with the passage of time. Furthermore, the time required to sort and classify modern British stamps is such that the specialist would have precious little for anything else. It has been said unkindly (but wtih some grain of truth) that a specialist is someone who knows more and more about less and less until he knows eevrything about nothing. There is a very real danger of advanced philately becoming obsessive and it is encouraging that those suffering from hopeless addiction in its acutest form have sought an antidote.

There is no cure for the hardened philatelist, but a change of direction has proved beneficial in many cases. One of the *world's* most eminent philatelists, who has devoted the past 40 years of his life to the study of asingle stamp, some years ago took up the collecting of stamps depicting scouting.

Thematics (or topical collecting as it is known in America) is still regarded by the philatelic Establishment in Britain as something for kids rather than grown-ups, but elsewhere, notably in America and Europe, it has become a serious pursuit, with its own set of rules and a rapidly-growing volume of specialist literature.

The American Topical Association, with more than 10,000 members in 85 countries, has published scores of monographs on every conceivable subject depicted on stamps, as well as a monthly magazine and an annual survey of the world's latest stamps classified according to their motifs.

Not so long ago a country issuing a pictorial definitive series would have attempted to include as many subjects as possible. Nowadays, with many countries changing their definitives every three or four years, this general approach is no longer acceptable and the trend is towards sets confined to a few themes.

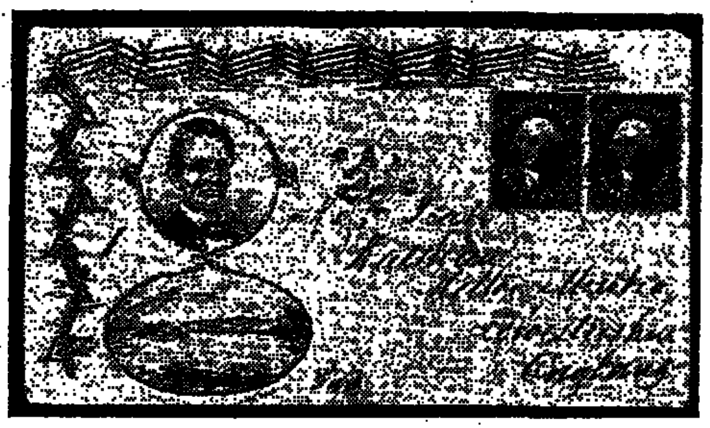
New Zealand's stamps currently depict roses, Maori artifacts and seashells. Canada's show flowers, buildings and royal portraits and Zimbabwe has gemstones, wildlife and waterfalls. Jamaica is in the process of issuing new definitives in three phases, devoted respectively to tourism, birds and watersports. Other countries, however, now favour a single-theme series, birds, flowers, butterflies, historic ships and antique maps being the most fashionable themes at the moment.

More and more administrations are reinforcing their permanent series with short sets of four or five stamps with single themes. Even the British Post Office which has a conservative tradition in such matters, has produced sets featuring dogs, spring flowers, birds and architecture within the past year and this policy is likely to continue indefinitely. International participation in issues with a specific subject is growing significantly, as witness the number of sets last year honouring the centenary of Sir Rowland Hill and International Year of the Child.

This year the 75th anniversary of Rotary International is receiving world-wide coverage and, as noted already, even London 1980 has been commemorated on a scale unknown fo rany previous stamp exhibition. Needless to say, and despite the political overtones, the biggest blockbuster of them all is the Olympic Games, with the number of stamps already issued running into several hundreds.

Apart from thematics, many philatelists of long standing are now turning back to "the simple life" and forming general collections based on their office accumulations. After many weary hours spent over the microscope and quartz lamp, trying to master the intricacies of modern British stamps, it is refreshing to rediscover the delights of general collecting based solely on the contents of the wastepaper basket.

Inevitably one will have to cheat a bit and pop into the friendly neighbourhood stamp shop to fill those agonising gaps. But this is what stamp collecting used to be about, and in the long run a more general approach will make for a more broadly-based market. Dealers, like collectors, have been in danger of concentrating on far too narrow a field, so this is a healthy trend that bodes well for the future of philately.



A rare pictorial envelope of the 1850s with an illustration of Abraham Lincoln and bearing two 12 cent stamps, which was auctioned by Stanley Gibbons yesterday. It raised U.S.$5,100

Fashions in fields of study

A CENTUR YAGO, when there were far fewer stamps around and it was possible to attempt to collect all the world's stamps, collectors hoarded anything and everything remotely connected with philately.

As well as adhesive postage stamps, produced by government postal administrations, they gave house room to the stamps of the local and private posts, the impressed or embossed stamps from postal stationery, either cut-outs or entries, revenue stamps, advertising labels, commemorative stickers and telegraph stamps. They were encouraged to some extent by the catalogue publishers who included local, telegraph and revenue stamps and stamped stationery.

As the number of collectable varieties of postage stamp escalated from the beginning of this century, however, the catalogues gradually dropped the sideline categories for lack of space and philatelists likewise abandoned them in order to concentrate more fully on adhesives. For half a century the Cinderellas of philately languished in almost total oblivion, nurtured only by a few eccentrics and independent spirits who were not content to follow the herd.

New issues

In the 1950s, however, as the spate of new issues took yet another leap forward, collectors found that they could no longer cope with a collection devoted to the whole world, or even to the Commonwealth, and were forced to restrict their interests to a small group of countries, or perhaps to a single country, and this is still the prevalent fashion.

Apart from studying the adhesive stamps in much greater depth, greater attention is now being paid to the by-ways of philately. This is due partly to the desire to explore every angle of one's chosen speciality and partly to the need to find some aspect which has not, as yet, become too fashionable, with the inevitable hardening of the market and rise in prices.

Some of the so-called sidelines, to be sure, are merely extensions of straightforward stamp collecting. In this category come coil strips and booklets. In the days when British stamps were printed on watermarked paper philatelists were forced to acknowledge the existence of coils and booklets since some of the former had a sideways watermark while 50 per cent of booklet stamps had an inverted watermark, but apart from the hunt for these varieties there was relatively little interest in coils and booklets as such.

Nowadays there are stamps printed in combinations with with certain phosphor bands, or other stamps or advertising labels, which can be found only in coil or booklet form, and this has stimulated a far greater degree of interest. The Post Office policy of making booklets visually attractive, with pictorial motifs on their covers, has accelerated this growth of interest.

Though booklets had a long tradition of being used as a medium for commercial advertising little has been done to take this to its logical conclusion, with booklets whihc are designed, as a package, to publicise or commemorate a specific theme. In 1969 a £1 booklet containing recipes was issued and was recommended at the time by my colleague on the How to Spend It page a a good buy. How right she was: the stitched version today commands a price of £40-£50.

In 1972 Wedgwood sponsored a £1 booklet in which the stamps wer accompanied by text outlining the story of the pottery. Owing to the arrangement of the stamps in this booklet one of the halfpenny stamps was printed with a single phosphor band at the side. Today this stamp *alone* is catalogued by Gibbons at £85 mint and £95 usde, so I hate to think what the complete booklet is worth.

Wedgwood have just sponsored a second booklet but such is the march of inflation that this now costs £3. It contains 13 at 12p, 13 at 10p and 7 at 2p and history has repeated itself, since one of the 10p stamps has a single band on one side instead of the centre. No one will be caught napping this time, since booklets are much more fashionable than they were even eight years ago.

Interest in boklets and coils is assured because they are now fully listed in the more advanced catalogues and even such sidelines as First Day Covers, presentation packs and PHQ postcards are priced in Stanley Gibbons' Collect British Stamps, thet 26th edition of which has just been issued at £1.30.

When it comes to other sidelines the collector has a harder task, but probably correspondingly greater rewards in the long term. N one attempting to form a one-country collection can now afford to ignore pstal sationery. Many postal administrations now fully list the latest stamped envelops and cards on their stock sheets, though, curiously, the British Philatelic Bureau is silent on the subject unless pressed for a copy of its stationery stock list.

Short-lived

With constant changes in postal rates, stationery is frequently subject to price revision and many items in the past two years have been extremely short-lived. As yea, there is no comprehensive, up-to-date catalogue of British postal stationery, but if and when this materialises such material will rise rapidly in value. This has been the pattern in other countries, such as Ireland and New Zealand, where catalogues now exist.

The same observation applies to such categories as revenue and telegraph stamps, local and private issues, airmail stickers and registration labels, all of which enjoy a strong following that is growing rapidly.

The revival of interest in this field was pioneered by the Cinderella Society, which publishes its own periodical and holds regular sales of such material. Since 1972 Robson Lowe has diversified into this field and last month held a highly successful auction of revenue, local and railway stamps. Even the fakes, forgeries and fantasy stamps of non-existent countries made record prices in this sale, proving that any thing that remotely resembles a stamp is now eminently collectable.

Perhaps the most remarkable growth has taken place in recent years in what is loosely termed postal history, encompassing everything from Sumerian clay tablets and the parchment documents of medieval Venetian merchants to the postcoded envelope retrieved from the wastepaper basket this morning.

Just as postal mechanisation has had immense repercussions on adhesive stamps, so also it has produced a wealth of material in the shape of envelopes and cards bearing patterns of phosphor dots and cryptic letters. Understandably the market in such material is fluid at present, but already there is a specialist society—the Postal Mechanisation Study Circle—and a growing volume of literature on the subject, and a firm price structure will not be long in emerging.

At the other end of the scale it is significant that even when the prices of stamps fell last autumn postal history material continued to forge ahead, and at each succeeding sale new records are constantly being made—only to be broken a month or two later. The amount of available pre-stamp entires with postal markings of exceptional interest is quite limited and it requires a very small percentage increase of interest to send prices rocketing.

Some of the most spectacular pieces relate to American postal history of the 19th century. Sotheby Parke Bernet's sale on April 29-30 produced some exceptionally high prices for the Postmaster's Provisionals and the first federal stamps of 1847 on cover. The highlight of London 1980 was undoubtedly the Gibbons sale yesterday of selected items from the Marc Haas Collection. The 330 lots represented only a small proportion of the collection which Gibbons acquired last year for an eight-figure sum and yesterday's record prices prove that this was a shrewd purchase.

Two other London auctioneers are celebrating their anniversaries during London 1980. Robson Lowe held a star-studded Diamond Jubilee sale last Thursday, while the London Stamp Exchange is celebrating 90 years of trading and 30 years of the present partnership on Monday with a sale of classic material. In both auctions essays, proofs, colour trials and especially postal history were well to the fore. Clearly the strength of the market in these by-ways of philately bodes well for the future of the hobby in general.

BOOKS

Cambridge men

BY C. P. SNOW

George Macaulay Trevelyan
by Mary Moorman. Hamish Hamilton. £9.95. 253 pages

The Man on the Ice Cap
by Nicholas Wollaston. Constable. £8.95. 259 pages

This biography of G. M. Trevelyan has been written by his eldest daughter—against his wishes, for he didn't want any kind of biographical record. She was entirely right to disobey him, for he was an admirable *man as well as a fine narrative* historian, continuing that great tradition against all the fashions of his time.

Mrs. Moorman has fulfilled her higher duty with respect and love. Few men in our time have elicited more of both, not only from his family but from everyone round him. She has at the same time observed the most punctilious scholarly fidelity, which was to be expected from the author of the classical biography of Wordsworth. There is nothing debunking about this life of George Trevelyan, but she is cheerfully frank about his eccentricities, such as his expectation that guests would welcome 20 mile walks as much as he did.

The Man on the Ice Cap is a biography of a man born a generation later (Trevelyan in 1878, Augustine Courtauld, always known as August, in 1904). August Courtauld also came from a privileged family, richer than the Trevelyans though they were well-to-do and George Trevelyan himself came, through legacies and his own books, to have more money than he knew what to do with. What he did do with it, characteristically, was spend large sums on the causes that he loved, such as the preservation of bits of the English countryside.

Nicholas Wollaston, the author of the Courtauld book, didn't know his subject. He has himself written talented novels, and should have written more. In this new book he had a very difficult job, for August was a much more singular character than Trevelyan and much more of an odd man out. He would have made a splendid solitary Victorian explorer, but the English society of his time wasn't good at *making* use of rich young men, abnormally enterprising and courageous, incapable of accommodating to *ordinary organised* existence. Even in the 1939-1945 war, the Admiralty couldn't find any

August Courtauld: stoical heroism

better use for Courtauld than let him handle small boats, at which he was a master. He remained a Lieutenant R.N.V.R. for almost the whole duration. It was a waste.

He settled down as a country squire, and that was a waste too. He was redeemed by a lucky marriage to a woman with the spirit to understand and cope with him, and his peculiarly lonely temperament. After Courtauld's death, from multiple scelerosis, which affected him in his late forties, she became the wife of R. A. Butler.

Courtauld seemed to have been blessed by fortune but didn't have much luck. His one great exploit was to live alone through an Arctic winter in a weather station on the Greenland plateau, the weather station in question being a kind of cellar in the ice, in which he finished without light, with almost no food, no means of communication with the rest of the expedition. He was extracted just in time, and emerged *intact in mind and body. It was* a feat of stoical heroism which very few men could have endured. The self-sufficiency which handicapped him in ordinary existence saved him there.

There is a link, though a remote one, between these two stories. George Trevelyan was a member of the brilliant generation at Trinity, Cambridge, in the late 1890s, became the first Prize Fellow in History, departed to write his studies of the Risorgimento and follow his social conscience (he was a radical in the high tradition of his family). He returned to Trinity when he became Regius Professor of History. After J. J. Thomson's death, Winston Churchill offered him the Mastership, which is a Crown appointment. It was the most fitting apotheosis.

Courtauld was an undergraduate at the same college in the late 1920s. Perhaps after recent hullabaloos, these two lives might serve as a reminder that Trinity is a great, as well as a heterogeneous, academic institution. It has a record of intellectual creativity which no *other college and probably no* other university in the world can equal. This has continued through Trevelyan's Mastership down to the present day.

At the time when some members of Trinity were passing information abroad, many others, scientists who have since won international recognition, were preparing themselves for the scientific war ahead. This began sometime before the war. In *that respect*, at least, the country was getting well prepared though the news couldn't be publicised. There is no reason why it shouldn't be known now.

Roaring boy

BY MARY HOPE

Unreliable Memoirs
by Clive James. Jonathan Cape. £5.50. 171 pages

Ebullient Clive James is a clever—some would say clever-clever — man. He is also, notwithstanding the surface intellectual prestidigitation, very Australian. He has elements of the pugnacious roustabouts who pour cold beer over whingeing Poms and of the touchingly naïve Sydney autodidacts who are impressed by any Culture which is not Australian. A tendency *to show off, which* he readily admits in this risible *heldenleben*, is ascribed to his deep sense of fatherless insecurity. His retreat behind a clown persona in a country more than usually well-endowed with obvious manhood, was, if you weren't a muscle-bound super-*stud, sensible evasive action.* But behind the relentless jokiness, *some* of which is supremely funny, there actually *is an ego as big as* the Ritz.

It is all very well to assert that whereas most first novels are disguised autobiography "this autobiography is a disguised novel," but there is no evidence here that our hero can describe any ego other than his own. At the two-dimensional he's an ace: unfortunate Peebles, a fellow squaddie in National Service, reaches his apogee in grenade-throwing practice:—

> "The sergeant handed you a grenade from which you removed the pin. When he handed Peebles a grenade, *Peebles removed the pin and* handed the grenade back to him."

The exploits of the boy won*der himself are Just rather than* Sweet William: the knockabout disasters of grubby knees and disgusting handkerchiefs are any boyhood. But who else could bring Napoleon, Hitler, Siegfried, Nietszche, Gibbon, Queensberry, Wittgenstein and *Guys and Dolls* into one description of a donger-wielding bully? Only an unabashed Australian can greet the all-time greats of the intellect with such unflinch*ing eclecticism* and unashamed mateship. A whingeing Pom may perhaps be allowed to patronise the enthusiastic refusal to segregate sense from silliness, banality from originality. "I was," he says, "the captive of my fluent tongue." He still is.

But what splendid evocations of childhood: tastes and colours of sickening sweets, Saturdays at the pictures, lurking insects, sand between the toes, the incomparable feel of catching a good wave at Bondi, the untouchable budding nymphets in their Speedo cossies. As an ex-*member of the Girls' Life* Brigade, *horribile dictu*, I can vouch for the hilarious accuracy of his account of the Boys' Brigade, in those itchy days when it was still a thrill even to *think* of Going All The Way. Underneath knowing japery lurks innocence.

Autobiographies are infectious: may I, therefore, as both Australiaphile and widowed mother, not pull punches? There may not be many rounded characters in the book, but there is a heroine: not Valma, or Nola, or even wondrous Lilith, who completed the lad's basic training, but the tragically widowed Mrs. James, who brought up the roaring boy with apparently Trojan fortitude. He *is mostly reticent on this deli*cate subject. Is it that real emotion is still something he can't, or won't, handle?

> "*At the age of* five I was seeing the whole force of human despair. . . . I know now that until recent years I was never quite all there —that I was play-acting instead of living and that nothing except my own unrelenting fever of self-consciousness seemed quite real."

Since the book is prefaced by Andromache's lamentation over Hector, surely Mrs. James deserves more than oblique attention?

John Barth: epistolary extravaganza

Through the male

BY ISOBEL MURRAY

Letters
by John Barth. Secker and Warburg. £7.95. 772 pages

On the back cover of John Barth's new novel *Letters* is a *picture of the* author, wearing a slightly mocking, gnomic, impish grin. Well *may he! The* question that exercises this baffled, exhausted and to some extent impressed reviewer is, how many readers will get to the end of the 772 densely written pages of the novel?

It is manifestly and signally a complex novel. It is, we are frequently reminded, "an old time epistolary novel by seven *fictitious drolls and dreamers*, each of which imagines himself actual." The nature of the book is frequently discussed or alluded to, not least on page 431, in a letter from the Author —not necessarily to be confused with the author.

Here he declares that he is hazarding "the fameur limitations both of the Novel-in-Letters and of the Sequel, most fallible of genres." The correspondents include one from each of the author/Author's previous books plus one invented specially. This last, a "remarkable *middle-aged* English gentlewomen and scholar in reduced circumstances," Germaine Pitt, Lady Amherst, is particularly good value and a wonderful storyteller. But she leads one to expect greater clarity than the book intends.

The prospective reader is referred to several accounts of the novel, that on page 431 being only the fullest. On page 33 the novel's only confessed madman, who is attempting to write this or a similar novel by computer, declares that,

> "Art is as natural as artifice *as Nature; the truth of* fiction is that Fact is fantasy: the made-up story is a model of the world."

Somehow one is reminded of the grave young man in Wilde's dialogue asserting that Hamlet's words about art holding a mirror up to nature were uttered only to convince his auditors of his madness.

The Author often returns to his self-conscious mode (eg pages 49, 52, 189-90, etc.) and invites characters to take part in the novel. He projects, "a detente with the realistic tradition," and one character proposes to "rescue Fiction from its St. Helena by trans*forming* it altogether." Part of the plot as I understand it (not altogether) concerns the *filming* of a *strange cinematographic undertaking, apparently* a film of the author's latest work, but echoing earlier ones. One character describes the action to himself as:

> "No ordinary soap opera: it is Bayreuth by Lever Bros.; it is Proctor and Gamble's production of the Bathtub Ring."

Is it all to elaborate, too complex? Yes, a hundred times yes. It is infuriating, absurd, coin*cidental and acrostic, to* name but a few. Steinbeck hit trouble in *East of Eden* with Cain and Abel names, Cs and As multiplying in the tome like intrusive signposts. But that was nothing to the over-ingenious cross-initialling here, such as the authorial initial intrigue, which includes Joel Barlow, Joseph Brant, the madman Jerome Bray and even an Indian woman oddly named Jimmie Barefoot. *All this indicates a cheerful* authorial obsession with problems of *Doppelgangers*, identity and duplicity, accident and coincidence, which may enthrall some readers but enraged this one.

Why am I spending so long on this "doctorer of letters" then? Because, darn it, so many parts of the book reward, especially Lady Amherst's lively, lubricious, captivating fun. Her letters are superb, and a novel of them would be a delight.

Lady Amherst remarks on the *stamina of readers of* Richardson's *Clarissa*, but by its complexity and its reverence for the "very god of coincidence" this beats cockfighting (and includes it, in a manner of speaking). Last word — out of context — to Lady Amherts, whose lover has apologised for the Inevitable Pain he gives her: she cries — and I cry with her —"T[illegible]e it seems Evitable"

Savage mime

BY B. A. YOUNG

Finch, Bloody Finch
by Elaine Dundy. Michael Joseph, £8.50. 346 pages.

Elaine Dundy has clearly had a *difficult time with Peter* Finch. She writes of him with unstinted affection, and the figure that emerges is a monster. Because he is a monster of such complexity, she has investigated both his private and his public life in plentiful detail, tracing his descent back to the 17th century, never missing an opportunity for a verbatim quote from someone if it's available. But because he is an actor, and mostly a film actor, she has allowed herself time and again to write as sentimentally, with such a plethora of unnecessary detail, *as if she were aiming at* serialisation in a movie paper.

Well, anyone would have had a difficult time with Peter Finch (and indeed almost everybody did). To begin with, he was a pathological liar. He told Ms. Dundy at their first meeting that his grandmother had put him in a Buddhist monastery for two years when he was a boy. The truth is equally improbable, but not the same. *When his father, who turned* out not to be his father, left his mother, he went to stay with his grandmother, first in Paris, then in India, where she wanted to study Buddhism at the feet of Krishnamurti. The nine-year-old Peter took up with a visiting monk who shaved his head, put him in a yellow robe and told him he was a Chela. When he'd been a Chela for three days, his grandmother got him back.

From India he went to Australia, to an aunt who brought him up with a riding-crop. He left school at 15 and became a copy-boy on a Sydney paper, from which time he was never dependent on anyone but himself. He worked, when he *worked, at anything that came* along, including acting as straight man to a comic. He was in half-a-dozen films and became a great radio favourite. Demobbed from his army entertainment unit, he became a real actor and was seen as Argan by Olivier. Olivier urged him to go to England and put him in *Daphne Laureola* with Edith Evans. From this point, the thespian side of his life is fairly conventional.

But conventional is something Finch himself never became. He drank, he whored, he raised hell generally. It never affected his playing; I saw him in his first London play, *Daphne Laureola*, and his last, *The Seagull*; he was equaly finished and sensi*tive in both. But he evidently* remained a savage at heart, with no capacity for loyalty or good manners. Only at the end of his life, when he (ultimately) married *en troisièmes noces* a black Jamaican girl, did he show much sign of stability.

At any rate he was never less than interesting. Nor is Ms. Dundy, who has done endless research and come up with a mass of information and a smatshing portfolio of pictures. But she is a bit sloppy. The publisher's copy editor should have corrected the misspelt names; but how about calling Carson "Prosecutor for the Defence" in the Wilde trial? And why no cast-lists for the plays, though they are given for the films? *Who's Who in the Theatre* will have them.

Up to a point, Lord Copper . . .

BY GEORGE MALCOLM THOMSON

The Prerogative of the Harlot: Press Barons and Power
by *Hugh Cudlipp*. The Bodley Head. £8.50. 304 pages

Himself a Press baron, Hugh *Cudlipp is* well-equipped by insight and knowledge to portray and criticise five men who, during a generation, dominated the popular Press of two countries and, if they had realised their ambition, would have dominated much more. They were a truly remarkable galaxy. My father, a journalist, warned me, "George, journalism has been taken over by Northcliffe and Beaverbrook." Half a century later, Lord Beaverbrook warned his son: "Max, Fleet Street is not what it used to be. No fun any more." Between those two remarks, the Press barons had appeared in the sky, had reached their full splendour and had passed away. Or is to too early to think of them as an extinct species?

The type was first seen (in Britain at any rate) when Northcliffe launched the Daily Mail in 1896; its decline may conveniently be dated from the collapse of the Beaverbrook Empire in 1977. The Press barons reigned during the awkward interval after "the masses" learnt to read and before they learnt to *think*. The first event was brought about by Act of Parliament; the second depends on the will of the Almighty.

There was never any doubt from the beginning what Cudlipp's five—Hearst, Northcliffe, Rothermere, Luce and Beaverbrook—were after. "*God* made people read," said Northcliffe, "so that I could fill their minds with facts, facts, facts—*and later on tell them whom* to love, whom to hate and what to think." Beaverbrook was equally frank: "I run the papers purely for the purpose of propaganda, and with no other motive." They had grasped the fact that popular education had put into their hands an instrument of extraordinary power for moulding minds and shaping events. All that was needed, it seemed, was ability to anticipate the general trend of public thought and direct it along the channels they desired. The formula seems simple enough; *what it omits is* the energy, assiduity, cunning and determination that was needed to realise it after the *original*, seminal truth had been grasped.

To deny that Northcliffe had a touch of genius would be absurd. It may not have been genius of the highest order, but that is another matter. He invented a new kind of newspaper and found a new public for it. Henry Luce did much the same, Hearst belongs to an earlier and cruder age. Rothermere, personally agreeable, had the political acumen of a child of five and was quite incapable of using the power he had inherited from his brother Northcliffe. His real interests lay elsewhere, in finance for example.

As for Beaverbrook, he is the most complex and fascinating of the quintet. *Consider the* facts. He took on the Canadian financial establishment and beat it into the ground. Within a matter of months he had put his nominee Bonar Law at the head of the Conservative Party in England. He did not invent the popular daily—Northcliffe had already done so—but he had the intuition to realise that Northcliffe's flame was flickering and dying, and the audacity *to challenge* the master on his own ground. Northcliffe warned him he would lose all his money; Beaverbrook ignored the warning and triumphed.

When the material resources of the Press Monopoly are remembered, when the dynamism of its leading practitioners is taken into account, there can only be surprise that the barons accomplished so little. Hearst drove the U.S. *into* a foolish little war in Cuba ("You furnish the pictures and I'll furnish the war"). Northcliffe destroyed Haldane. Rothermere embarrassed Hitler by extravagant support. Luce destroyed Adlai Stevenson. Not a very impressive bag. The truth is that none of these four had a grain of political instinct. *But* what of Beaverbrook, who had?

He failed to drive Baldwin from the Conservative leader*ship and failed to persuade the* country to adopt either Empire Free Trade or Isolation. Yet, to his credit be it said, he alone of these five barons, stumped the country for the cause he believed in, and only the advent of a greater demagogue, Hitler, finally shattered his hope of becoming an *independent* political power in the land. It may be admitted, though, that his political judgment was by no means infallible although his championship of the Duke of Windsor over the Abdication can probably be regarded as a comic aside in the political dialogue. It appealed to his sense of mischief. "Max," said John Buchan to me, "is not a bad man. He is a bad boy."

The Press barons were an odd mixture of will, credulity, rancour and sentiment. But more than that was needed to wield the power they had won. Cudlipp writes about them with the comprehension, sympathy and—in varying degrees—loathing of one who has fought in the same arena as they. Like them, he "sold his heart to the old black art" and knows the temptations that assail its votaries. After a glittering career, he can look with compassion on those whom it lured to the top without warning them that they would find nothing there that they would enjoy. Sometimes the harlot is paid in false coin.

Double pursuit

BY ANTHONY CURTIS

The Wanton Chase: An autobiography from 1939
by Peter Quennell. Collins. £8.95. *192 pages*

Peter Quennell is that rare bird these days, the professional literary man. The species may well be in danger of dying out altogether which makes these memoirs of someone who has lived since 1939 as a man of letters, critic and biographer peculiarly valuable. This is not to imply that Mr. Quennell has had no steady job during this period apart *from writing* books. During the war he had various appointments with the Ministry of Information and the Ministry of Economic Warfare culminating in a spell with the Fire Service. Afterwards he was the regular Book Reviewer on the Daily Mail from 1943 to 1956, editor of the Cornhill Magazine from 1944 to 1951 and co-editor of History Today with Alan Hodge from the time that journal *was founded* by Brendan Bracken in 1951 until he retired last year.

But never was anyone less to *be thought of merely in terms* of his job than Mr. Quennell. The real man is to be sought elsewhere, in what he calls (borrowing the phrase from his hero Hogarth) pursuing: "Pursuing," said Hogarth, in his *Analysis of Beauty*, "is the business of our lives." Certainly it has been the business of Mr. Quennell's. The boundaries of of the pursuit are admittedly limited. In literature they stretch from the eighteenth century, where Mr. Quennell is most at home, to somewhere around the middle of the *twentieth; in life they are con*fined to a fairly restricted society of well-born people with country houses full of beautiful objects and the riches to indulge their whims. Aesthete? Elitist? Mr. Quennell would probably admit to the former while repudiating the latter. In a rare moment of soul-baring he writes:

> Today, now that a personal God has receded, Art, which has strenthened and enriched the legend, and surrounded it with splendid images, seems more and more to take its place. At seventy-five, my own belief *in* Art remains as passionate as fifty years ago.

Mr. Quennell has been at this business of pursuing for so long *with such* dedication that it is not clear whether he sees life in terms of literature or literature in terms of life. They are like reflecting mirrors in his mind, a mind exhaustively and enviably well-read in his chosen terrain. He moves with ease from one to the other in a series of perfectly drawn parallels which makes the book a r emarkable technical feat. Thus Mr. Quennell slides from a passage about Hazlitt's passion for Sara Walker to a similarly calamtious passion of his own. The object of his pursuit *is as often a pretty woman as* it is a good book; to both he affords the same mode of cool, retrospective appraisal.

It goes almost without saying that the shadow of Proust looms largely over the whole enterprise, but how interesting that Mr. Quennell should have such a great admiration for the ascetic, misogynistic genius of Montherlant.

Mr. Quennell only met Montherlant once after which they correspond regularly; but one meeting is quite enough for Mr. Quennell to obtain material for a witty, perceptive, verbal miniature. The book contains scores of such portraits of celebrities on both *sides of the* Channel, each one engraved with fastidious accuracy.

In short—Minders, keepers

A Fairer Future for *Children*
by Mia Kellmer Pringle with F. S. W. Brimblecombe, Kay Carmichael, Ronald Davie, Jean Medawar, Colin Ward. Macmillan Press. £12.50 hard cover £4.95 paperback. 174 pages

Children do not have votes *so their needs are not often dis*cussed in election campaigns or in a political context. It is a sad fact that only political clout will effect most of the reforms suggested in this collection of essays which are topped and tailed by the Director of the National Children's Bureau, Mia Kelimer Pringle.

The best chapter, the most specific and the most considered, by Professor F. S. W. Brimblecombe, shows that we actually know how to promote better child health in this *country than we practise*, and indicates how we could narrow the disturbing differences in health between children born in different social classes or in different areas. There has been an exhaustive inquiry on this subject whose findings were set out clearly in the Court Report. As in so many matters affecting children all that is required is action but it is action that is so painfully lacking.

It is a pity that the rest of the contributors do not write with Professor Brimblecombe's authority and thrust. Good ideas on education for parenthood and women in employment are wrapped in too many words with too few examples of actual programmes and changes which are or which could take place. The book has the air of a series of papers delivered at a conference at which the chairman was not too good at briefing the speakers or balancing the programme. There is too little on education and on the position *of children* in public care. All the same, as at *many* conferences there is a lot of good sense here and much that should be acted on to prevent another generation growing up inexorably damaged.

SARAH PRESTON

Call Me Matron
by Cassy Harker with Jack Glattbach. Heinemann, 192 pages, £6.50

Cassy Harker's autobiography *Call Me Matron* is the story of her nursing career in the con*fusing world of hospital* administration. It tells how she attempted to expand the Florence Nightingale ideal of nursing as a vocation based on strict discipline and denial to meet the demands of the emerging National Health Service.

Written with the help of former journalist Jack Glattbach, the style is easy to read and often humorous. Indeed, an appreciation of the absurd seems necessary in a profession, even today, overcrowded with regulations for regulations sake. As a matron in various hospitals, her main aim was to place the comfort of the patient on a par with the efficiency of the hospital. She *was also* an early campaigner for better pay for nurses, rejecting the idea that low pay strengthens a sense of devotion. Compassion with a large *dose* of common sense typifies her character. While the book gives an interesting perspective of the nursing profession, it is the personality of Cassy Harker herself that is most memorable.

VALERY McCONNELL

Fifth Avenue, A Very *Social History*
by Kate Simon. Sidgwick and Jackson. £7.95. 372 pages

This is name dropping U.S.-style — Vanderbilt, Whitney, Astor and Roosevelt. For Fifth Avenue was the place to live before it became *the* place to have business premises.

Inevitably it is a history of New York—even, to an extent, of the U.S.—for the people who lived in Fifth Avenue made the country's history.

But Kate Simon, author of many urbane travel books, does not attempt to put a glass on New York. She does not attempt to cover up the early squalor or stifle the stench. Instead she stresses the contrasts between the life for the very rich minority and the impoverished majority in old New York.

BRIAN AGER

HOW TO SPEND IT by Lucia van der Post

Clothes to see you through the Silly Season

FOR SOME weeks now I have been obsessed by the perverse refusal of British retailers to display in their shops the sort of clothes that actually relate to the weather and predominant lifestyle that most of their customers experience. Going to the Caribbean? For that fortnight you can be the best-dressed person on the island. You'll have no trouble finding the miniest of bikinis, the most stunning of cover-ups, and the most dazzling of evening-wear for all those balmy, semi-tropical nights. Spending most of the summer in Britain, perhaps taking in a race-meeting, a school prize-giving, a visit to an exhibition or the odd point-to-point? Finding something that is warm enough, versatile enough and pretty enough yet doesn't cost the earth will not be easy.

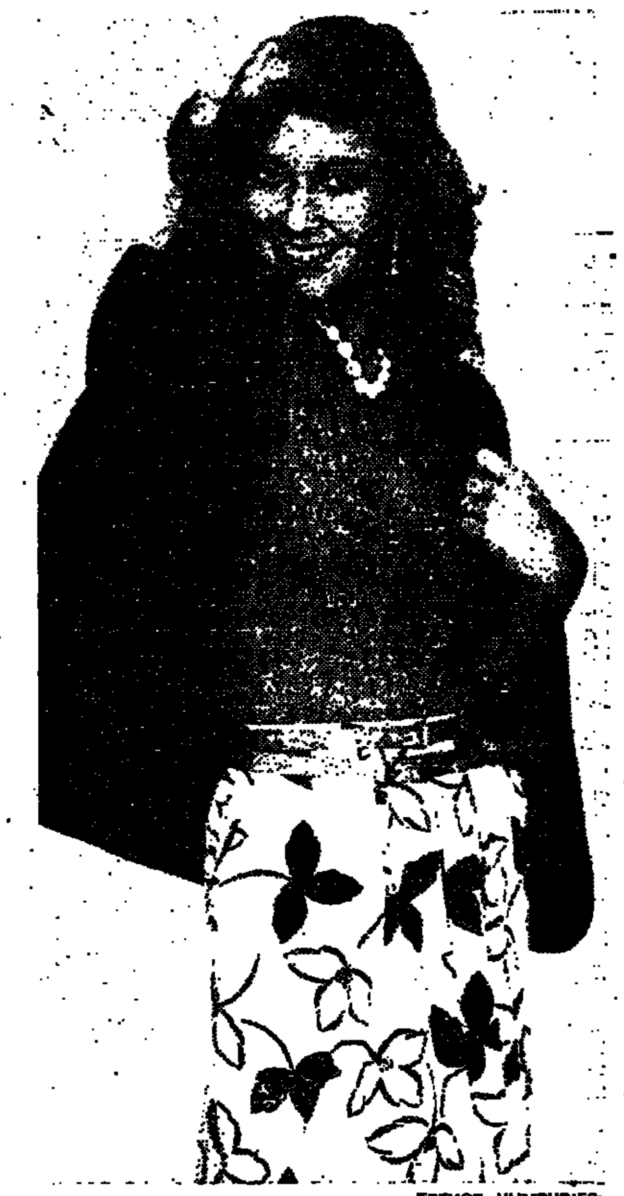
I've spent the last few weeks wearing out a lot of shoe leather finding out exactly what the shops had to offer for those who, like me, don't think that a sleeveless silk dress is a good bet for Ascot or a school open day.

This season has seen the revival of the suit and though most of them are, in my opinion, exceedingly dull, if you can find one you like they do make a lot of sense for the lives most of us lead. Firstly, they offer that indispensable quality for the vagaries of the British summer — warmth. Secondly, they can, in that immortal phrase so beloved of fashion journalists, "be dressed up or down." This is actually true and the beautifully-made cream and navy striped Cache d'Or wool suit could go anywhere if worn with one of Jenny Ku's bold blue silk shirts—her shoestring strapped camisole top would take it to any evening event while her long - sleeved side - buttoned version would do for almost any smart day-time occasion.

I recommend a browse through a good Cache d'Or department (Selfridges in London has a very good one) because the collection includes a whole range of skirts designed to suit all figures from thin to "comfortable" and differently-shaped jackets. Besides the cream and navy range I've photographed here there is navy and cream, a stunning yellow, turquoise and many other wearable, attractive separates.

Alexon Sportset is another good collection to look at—not quite so upmarket as Cache d'Or (nor quite so warm for chilly mortals) but it offers a huge selection of skirts, tops, T-shirts and jackets which can be put together to create a look that is sufficiently formal for most summer occasions and sufficiently informal (for instance a T-shirt and skirt) for the most casual of picnics.

Marks and Spencer's fashion floors are, to my mind, going through a rather dull stage—oceans of uninspiring pleated checked skirts and rather drearily coloured blouses and T-shirts—but if you look carefully there are some very good buys for this summer. A fine black blazer (polyester and viscose) which can be teamed with a centre-pleated black and white checked skirt. I liked immensley the white seersucker polyester cotton skirt—seersucker, you may have noticed, is this season's fabric. The skirt is fahionable and comfortable and costs only £9.99. There is a matching jacket (which also comes in black or navy) which turns the outfit into a smart summer suit—team it with a silk shirt, a T-shirt or a pretty blouse and you could go anywhere.



TREVOR HUMPHRIES

Regular readers will know by now that I'm a fan of Paul Costelloe's designs. He isn't as well known in Britain as he should be but he is much sought-after in America, his designs having that eminently saleable quality of "casual-chic." I like this summer's collection because he uses natural fabrics like pure cotton for the co-ordinating sun-dresses, skirts, tops, trousers and dresses and he offers the most sensible garment of all for the British summer—the cardigan, in pure cotton and linen in white, powder blue or grege to tone with the colours of the clothes.

Photographed, above, is a black and white finely striped skirt, with a very easy drawstring waist and a matching short-sleeved shirt. The skirt is £32, the shirt £27.50 and the hand-loomed cotton and linen mix cardigan, shown here in white, is £36. Find the complete Paul Costelloe collection in his shop at 36 Great Queen Street, London WC2.

A new name to look out for is that of Cache d'Or—the younger stablemate of the much more staid Mansfield Originals. Cache d'Or, this summer has an extremely versatile collection of separates. I particularly like this suit in cream and navy striped wool—being predominantly cream in colour it looks rather spring-like but being made of wool it is actually warm for all these occasions [illegible] and the like when one has so often shivered in a more summery outfit.

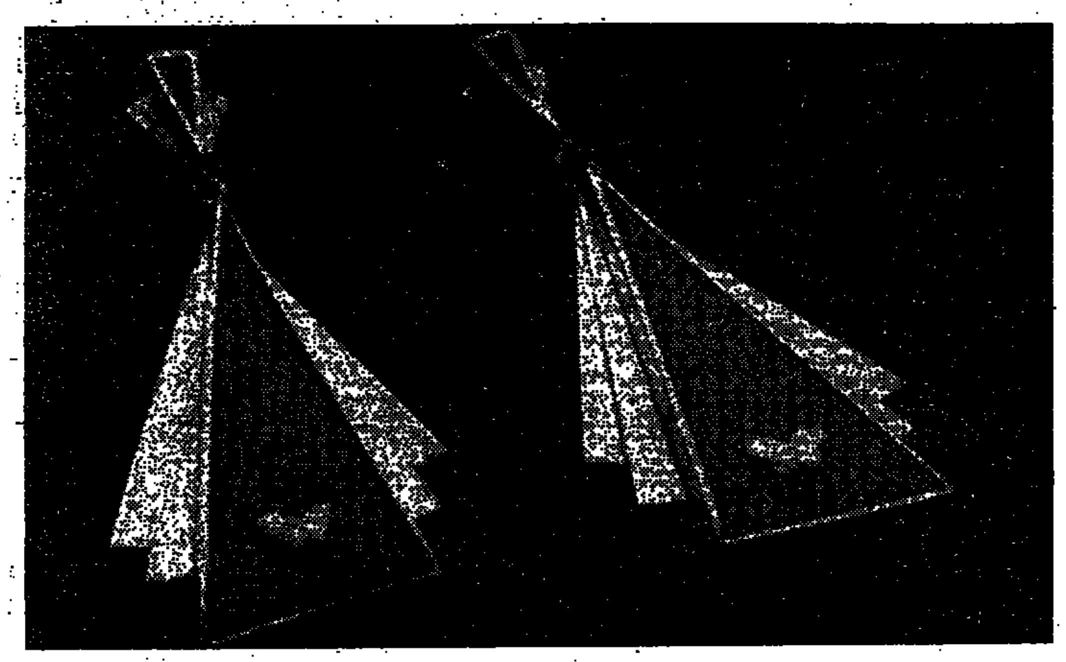
Selfridges of Oxford Street, London W1, has a large department given over to the complete Cache d'Or range but it can be found all over the country.

The blazer we have photographed above is £82.50, the easy skirt with side buttons is £36. Photographed with the suit is a stunningly bold blue silk shirt with asymmetrical side fastening by Jenny Ku. From Celia at 87 The Ridgway, London SW19, it is £55.

Alexon has been developing its selection of mixing and matching co-ordinated separates for a few seasons now and in this summer's collection is a particularly smart colour combination of black, cream and mustard. I like the collection because it offers the possibility of sleeveless matching T-shirts for the occasions when the sun shines and smart, sensible cover-ups for those numerous times when the winds blow. Photographed above is a smartly cut black blazer, made from 100 per cent polyester, for £39.95.

The skirt I have chosen because it is simple to wear, with pleats that are easy but not fattening, and it is made from a mixture of 85 per cent cotton and 15 per cent linen, £21.95.

Alexon Sportset clothes are available from special Alexon departments in good shops up and down the country including Selfridges.



Remember platinum?

DOING THE sort of job I do I am frequently able to survey the fruits of other people's labours and pass some kind of judgment upon them—I either like them sufficiently to feature them or I reject them, but fundamentally I am not involved in the creative or designing process.

So it was with much fascination that I entered upon a project devised by the Platinum Guild. A group of journalists was selected to work individually with given designers. Each pair was given half an ounce of platinum and told to go away, think about it and do what they could with it. A very salutory experience it proved to be. I had always had a great admiration for designers/craftsmen but it wasn't until I was actually faced with a rather daunting little blob of platinum that I discovered how very much worse it was than being faced with a blank piece of paper.

I found that the chief difficulty was that all my ideas were derivative—I remembered an amazing pair of ear-rings I had once seen in the British museum, or a startling brooch I had drooled over in the windows of Cameo Corner and so it went on. Try as I might I found it difficult to have a totally original approach to that little piece of silvery matter.

Fortunately I had been most carefully paired up—the Platinum Guild knew that I was an admirer of Argenta of 82, Fulham Road, London, SW3, and so had given me Kjeld Jacobsen, who owns and runs the shop, as "my designer." He spent some considerable time in finding out the sort of thing that I did like before proffering some ideas on paper. As I had recently had my ears pierced and as ear-rings have become an important part of the fashion scene we decided to devise something for my ears. (Interestingly, some three others also opted for ear-rings.)

I had initially wanted to combine platinum with gold but discovered that due to what seemed to me an extremely archaic set of rules, the Assay Office will not hallmark mixed metals except with the lower hallmarking so this proved to be impractical. We therefore decided to combine the platinum with white acrylic. The results you can see photographed above.

I have always admired the jewellers of this country but after seeing the work, patience, attention to detail that went into the ear-rings I admire them even more.

The object of the whole exercise was to stimulate interest in platinum. In the 1930s it was immensely popular with the jewellery trade, being the main white metal used, but since then it has rather disappeared from the jewellery scene. Yet the metal is very pure (95 per cent pure, as opposed to 18 carat gold which is 75 per cent) and it is generally stronger than gold alloys which means it can be used in thinner guages. It combines particularly well with diamonds and for years it was the most expensive precious metal in the world (paradoxicaly, in the 1930s when it was at the height of its popularity it was double the price of gold) but since the spectacular snakes and ladders of the gold and silver markets its main claim to fame has been the stability of its price—over the last four months it has risen from £6.36 to £6.65 per gramme (that is the producer's price at which Rustenburg and Impala make the metal available to UK jewellers) and it is now slightly cheaper than gold.

Certainly the metal has outstanding sculptural qualities—look at the stickpin that Willi Landels, editor of Harpers and Queen devised in conjunction with Cathy Stephens. Several of the other designs bore witness to this very special quality.

Why not jewellery for men? Stunning stick pin, made from highly polished platinum, devised by jewellery designer Cathy Stephens and Willi Landels, editor of Harpers & Queen.

CHESS

LEONARD BARDEN

King's openings

An interesting feature of the Phillips and Drew Kings at County Hall was how the grandmasters used the occasion to test new ideas in currently debated openings. Two schools of thought were prominent: Miles and Timman advocated direct, forcing play, while Andersson, Gheorghiu and Korchnoi preferred non-committal formations and a gradual build-up to the middle game. In this tournament the straightforward approach had slightly the better of the argument, but for both groups there was no substitute for detailed knowledge.

Andersson, the leader of the strategists, and Miles, whose repertoire with Black is daring and even provocative, have refined their systems over many tournaments. They did noticeably better than rivals using similar methods but less familier with the finesses.

Andersson's favourite formation was dubbed "the hedgehog" by the tournament bulletin. It can be reached both against 1 P-QB4 or 1 N-KB3, increasingly popular first moves in grandmaster chess, or via the Sicilian Defence against 1 P-K4.

The essence of the system is that Black exchanges his QBP for White's QP at Q4 and then sets up his queen's side pawns at QR3, QN3 and Q3. The queen and rooks have space to manoeuvre behind this wall-like structure and the bishops are developed on the long diagonals. Then Black simply waits — Andersson's supreme quality is patience — while White attacks on either flank, thus creating weaknesses for a black counter-punch with P-Q4, or allows progressive simplifications when the compact pawn front is endgame asset.

Miles's more uncompromising repertoire includes two patent ideas—the long-distance defence with an early P-QN3 or P-QR3 which he used in his recent victory over world champion Karpov, and the Dragon variation of the Sicilian wheer Black fianchettoes his KB at KN2. In the first case Black "sacrifices" the centre to White's pawns, while the Dragon often features castling on opposite sides of the board with each player going for the opponent's king

Miles had convincing results with both his systems at County Hall and it was setbacks as White—he lost twice, and escaped four pawns down against Nigel Short—which cost outright victory. The English masters in general prefer the direct style and this week's game is a fine attacking win over a hedgehog.

White: Dr. J. Nunn (England). Black: F. Gheorghiu (Romania). Opening: Sicilian Defence (Phillips and Drew 1980).

1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, P-QR3; 5 P-QB4, N-KB3; 6 N-QB3, P-Q3. The counter-attacking alternative is B-N5. 7 B-K2, B-K2; 8 0-0, 0-0; 9 P-B4, Q-B2; 10 B-K3, R-K1.

More consistent with the hedgehog approach is an immediate QN-Q2 followed by P-QN3 and B-N2 and perhaps N-B4, when the attack on the KP restricts White's attacking freedom.

11 Q-K1, B-B1; 12 Q-R4, P-QN3; 13 QR-K1, QN-Q2; 14 B-Q3, B-N2; 15 B-QB2, P-N3; 16 P-K5!

Striking before Black can complete the hedgehog by B-KN2, QR-B1 and Q-N1-R1. If now PxP; 17 PxP, QxKP; 18 B-N5.

16 ..N-R4; 17 PxP, BxQP; 18 P-KB5, N-K4; 19 PxKP (19 P-B6 is also possible), PxP; 20 N-K4, NxP; 21 NxB, QxN.

The bulletin prefers NxN as a better defence, though White could still keep up the pressure by 22 P-KN4, N-N2; 23 Q-N3.

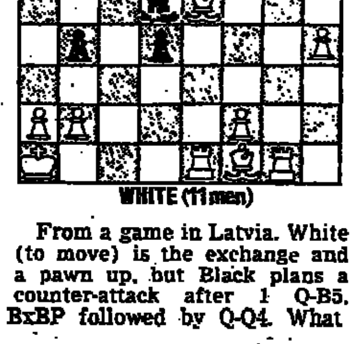
22 B-R6, P-K4; 23 N-B5! Q-Q4; 24 R-B2, Q-B4; 25 B-Q1, B-B1; 26 P-QN4!

Releasing the pin on the rock sets up the final attack.

26 ..QxP; 27 N-K7 ch, K-R1; 28 QR-KB1, B-K3; 29 BxN, QxN; 30 R-B8 ch! QxR (if B-N1; 31 R1-B7! QxQ; 32 B-N7 mate); 31 BxQ, RxB; 32 RxR ch, RxR; 33 Q-K7, R-B5; 34 P-N3, Resigns. For if R-Q5; 35 Q-B8 ch, B-N1; 36 Q-B6 mate.

POSITION No. 319

BLACK (10men)

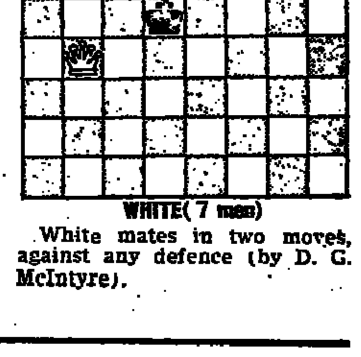


WHITE (11men)

From a game in Latvia. White (to move) is the exchange and a pawn up, but Black plans a counter-attack after 1 Q-B5, BxBP followed by Q-Q4. What should White play, and how should the game go?

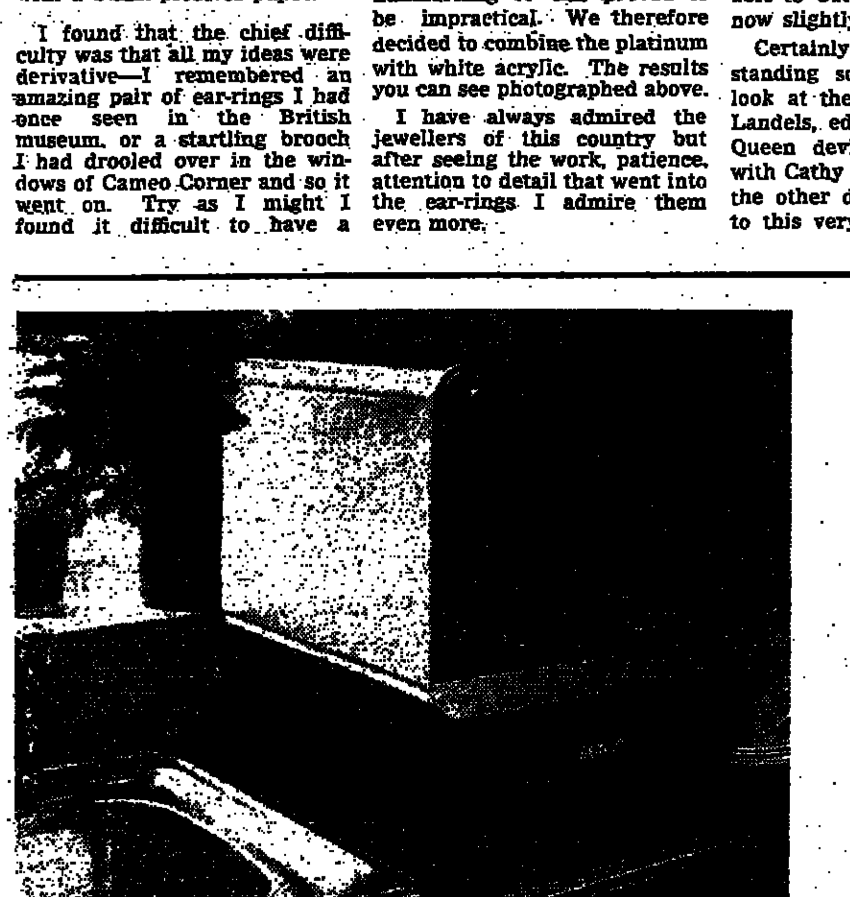
PROBLEM No. 319

BLACK (2 men)



WHITE (7 men)

White mates in two moves, against any defence (by D. G. McIntyre).



When the last guest has gone

NEW ON the market for those who long for a dishwasher but don't have the space for a full-scale model is the Servis Au Pair. As you can see from the photograph, above left, it is very stream-lined and sits comfortably on a draining-board or work-surface — measuring only about 18¼ ins high by 18 ins wide by 31¼ ins deep, when the front door is open. It seems ideal for the small family unit as it takes up to four table settings and only about 35 minutes to do a full wash-load, which is a third of the time that most large dishwashers take. It offers three different programmes — normal, delicate and a pre-wash and you should be able to find it at about £165.

Photographed above right, is a small, lightweight vacuum cleaner which has a lot of power but, because it is so light, could be the answer for anybody who is perhaps old and unable to carry or push heavier models or for those who might have to carry their cleaner up and down stairs regularly.

Made by Mitsubishi, it is pillar box red, weighs only 8 lbs and has no dustbag to empty and replace. On sale now at about £58.

BRIDGE

E. P. C. COTTER

For the defence

Today's first example hand was dealt by South at love all:

N
♠ J 3 2
♡ Q 3
◇ A J 10 6 5
♣ K 5 3

W
♠ Q 9 8 6
♡ A J 8 4
◇ 2
♣ 10 9 8 6

E
♠ 10 5 4
♡ K 10 7
◇ Q 8 4
♣ J 7 4 2

S
♠ A K 7
♡ 9 6 5 2
◇ K 9 7 3
♣ A Q

South opened the bidding with one no trump, announced as showing 14-17 points, North raised to three no trumps, and all passed.

West led the six of spades, dummy played low, and East's ten was taken by the Ace. After cashing the diamond King, the declarer led another diamond, on which West discarded the club six, and dummy's Knave lost to the Queen. Let us put you in the East seat—what is your plan of defence? Clearly your next move is critical. Are you going to persist with spades?

You can tell by partner's lead that he started with four spades. When he failed to follow to the second diamond, he should have a 4-4-1-4 pattern, for with a five-card suit he would probably have led it. His six of clubs is his lowest, so which is it to be—spades or hearts?

There is a clue to be found in declarer's play at trick one—why did he not try dummy's Knave of spades? Furthermore, if the spade suit was his weak point, why did he not hold up instead of playing his Ace immediately? Clearly, he was trying to conceal his real weakness, the heart suit. So you return a heart—not any heart, but precisely the ten. You assume that your partner holds four hearts to the Ace and Knave, but he may not hold the nine. If you do not play the ten, the suit will be blocked. West takes his Ace, returns the four to your King, and now he can overtake your seven with his eight.

Here South was the dealer at a love score:

N
♠ A 4 2
♡ 8 3
◇ K Q J 10 9 8
♣ 6 4

W
♠ K Q J 10
♡ K 10 5
◇ A 6 4
♣ 10 9 8

E
♠ 8 7 6
♡ Q 9 7 6 4
◇ 5 3
♣ 7 3 2

S
♠ 9 5 3
♡ A J 2
◇ 7 2
♣ A K Q J 5

South bid one club, North said one diamond, South rebid two clubs, North said three diamonds, and South's three no trumps concluded the auction.

Sitting West, you lead the spade King and continue the suit, dummy winning the third round. The diamond King is led, East plays the five, declarer the seven, and you hold off. If the Queen follows, East will complete the peter, you will know the position, and take your Ace. But suppose South crosses to his club Ace and plays a second diamond, the two, from hand, you cannot tell for certain. But there is a clue. Why did the declarer return to hand to play the second diamond? Was it not to prevent you from seeing East's peter in time? He requires precisely two diamond tricks and is trying to persuade the player who holds the Ace to duck once more. South has probably five solid clubs and the Ace of hearts. He has already made the spade Ace, and a second diamond will be his ninth trick. Rise with your Ace, cash your spade, exit with a club and wait with your heart King.

Both these hands come from Instructions for the Defence (Bodley Head £4.50) by Jeremy Flint and David Greenwood. This book will give you a new insight into the whole question of defensive play.

ARTS

Shaw abounding

BY ANTHONY CURTIS

I have found myself frequently lured away from my radio listening during the past two weks by the compulsion of the World Snooker Championship won in superb attritional style on Monday (almost simultaneously with the Princes Gate rescue) by the Canadian Cliff Thorburn. Here is one sport which simply will not do on radio. You ned to see and you need colour. The only tiny technical problem remaining on the box is that the red balls become indistinguishable from the brown one when standing at the balk end of the table. But this is a minor matter not seriously spoiling the seemingly infinite variety of situations that occur as the players try to impose their will on the balls.

An admirer might claim that in theatrical terms Bernard Shaw was a dramatist of as much variety of situation as there is in a hundred frames of snooker. An opportunity to appreciate his scope is currently being oeffred on Radio 4 UK by the Shaw Festival launched this week with productions of three of his plays and which will continue until September with either brand new productions or repeats of classic Shaw from the drama archive.

This wek we heard on Saturday a new production of *Major Barbara* with Anna Massey as the high-born Salvation Army lass and on Thursday the rarely performed, *The Man of Destiny* in the Afternoon Theatre slot with David Suchet as the young Napoleon. Sunday's Afternoon Theatre was the 1967 radio production of *Captain Brassbound's Conversion* with Sybil Thorndike as Lady Cicely Waynflete.

All these plays are early Shaw although by the time he wrote them in the decade 1895-1905 he was 40. The difficulty they present to a radio producer of breathing fresh life into continuous polemic without the advantage of any stage presence remains formidable. It seemed no nearer of solution now by Ronald Mason and Pat Trueman than it was 18 years ago by Graham Gauld. For most of the time the text offers almost nothing apart from the cut and thrust of the argument. It is true that some of the argument does appear to be surprisingly relevant to modern life so that we find it hard to credit that these dramas were first performed in the period of Hardy and Gissing.

Poverty still exists in our society and remains as much of an evil as it was in Major Barbara's day but somehow the *process of conversion and de*-conversion by which the main characters are made to realise the fact has lost a lot of its excitement. Certain lines stand out memorably still ("You've learned something and that always feels as if you've lost something") giving off some *rare gleams amid the dross of* paradoxes.

More interesting are the phantom presences of Shaw's contemporaries who hover among the characters, notably Gilbert Murray in *Barbara* and Cunninghame Graham in *Brassbound*. As for Napoleon he was intended as *a corrective to the tubby 40-year*-old amorist of Sardou's *Madame Sans-Gêne*. Both Irving and the American matinée idol Richard Mansfield toyed with the notion of playing the role but neither came up to the mark. David Suchet who won an award last year for his interpretation of *the murderous husband in The Kreutzer Sonata* seemed to find this Napoleon more taxing than Tolstoy. Paola Dionisotti was the mysterious lady whom he meets at an inn in a village in Northern Italy during a pause in his first campaign as a general. Most of such action *as there is becomes taken up in* a supper-time conversation between these two strangers. Shaw identified closely with the *young general* of genius who was prepared to shed blood galore to gain his objectives and who knew already how to put the fear of God into both his men and his adversaries. He had roughly the same attitude to tthe theatre where is career was similarly poised. But the *play does not work*.

By contrast the repeat of *Blithe Spirit* on Radio-4 UK during the May Day Holiday with Michael Denison and Dulcie Gray retained all its pristine sparkle. The basic gag of living one character who is invisible to all but one of the other people on the stage transposes to radio without loss. But then Coward was a much better craftsman than Shaw.

The Merry Wives of Windsor

BY MICHAEL COVENEY

The Royal Shakespeare Company's delightful *Merry Wives of Windsor* opened at the Aldwych Theatre on Thursday night, the first transfer to London from last year's Stratford season. If Queen Elizabeth wanted to see a play about the fat knight in love, what Shakespeare actually wrote, according to directors Trevor Nunn and John Caird, was a bourgeois comedy set in a solid, sleepy Windsor, where the everyday tale of countryfolk is briefly interrupted by Falstaff's arrival at the Garter Inn. The mood throuhgout is one of generosity and tolerance and, against that background, Ben Kingsley's obsessive jealousy as Ford is an eccentric aberration.

John Napier's design paints a seductive and realistic picture *of timber, slate roofs*, cart-wheels, bully rushes, and copper beeches. This is a community which both works and plays with relish. The farcical discomfiture of Falstaff by the merry wives is not a dutiful exercise in farce mechanics but an instinctive expression of high sprits. *This communal talent* for play is embodied in Lila Kaye's Mistress Quickly, a scheming chatterbox who stands irresistibly at the centre of the action, hatching plots, buttering up Sir John, and Doctor Caius in different voices, and even poking her nose into Sir Hugh's misconstrued Latin lesson.

Such an innocently fun-loving society is open to intrusion by unscrupulous opportunists. The outriders may be either discretely absorbed, like the tedious Master Fenton, or given a lesson or two and then welcombed, like Falstaff and the Gloucester contingent. John Woodvine's Falstaff speaks neatly and moves cumbersomely, digging deftly into his prose and holding up the odd phrase for inspection. It is a genial performance of an old man who has survived unscathed for so long that he has nothing to lose by submitting to the possibility of more abuse in the pursuit of pleasure and money.

His casual account of his exploits on behalf of Master Brooke elicit from the disguised cuckhold a series of strangulated moans that give way to staccato yelps as soon as Falstaff goes off. Mr. Kingsley's performance is brilliantly subtle. He rages at not having thought to look in the basket, he gurgles with barely restrained delight at having cudgelled the Oold Woman of Brainford. Both reactions are sifted through a vigorously maintained show of indifference. To be horn-mad in Windsor is unthinkable, even to him, and it is with some general relief that his yellow fever can subside in the reconciliatory environment of church bells, skipping children, pipe smoke, lanterns, and an enchanting, rustic masque beneath Herne's Oak.

The production of *Pygmalion* at the Shaw Theatre is not, incidentally, stout and unfunny, as suggested in my review yesterday, but "stout and unfussy." Rather like Mr. Woodvine's Falstaff.

Record for a sapphire

A SAPPHIRE ring, with a stone weighing 66.03 carats, sold for $1,352,900 at Sotheby's sale in Zurich on Thursday night. This was not only an auction record for a single sapphire but for any stone. The ring had been sold previously by Sotheby's at Zurich in 1972 when it was bought for the Rothschild collection for £172,580. Thursday's buyer was an Italian dealer.

In the same sale an antique diamond pendant in the form of a cross with six diamonds, which had belonged to Henry Philip Hope, who also owned the Hope diamond, sold for £80,600. In 1886 it had been sold by his nephew for £375.

Stanley Gibbons yesterday disposed of items from the Marc Haas collection of U.S. postal covers. A letter to Shanghai with a 90 cent and a 24 cent stamp of 1861-62 sold for £28,634 while a letter to Connecticut sent between 1851-56 realised £25,550. A strip of vfie 10 cent stamps despatched to Shanghai made £22,907. Most of the 330 lots were comfortably over-forecast.

Henri Dutilleux

BY RONALD CRICHTON

Another evening of discovery at the English Bach Festival (Elizabeth Hall, Thursday), not so novel as some in past years but no less valuable. Not a *forgotten* Baroque figure nor an unknown Greek of our day, but a French mainstream composer born in 1916. "Mainstream" as *an adjective* for Henri Dutilleux merely signifies that he is not and has not been a member of the avant-garde, and that he has not, like his older colleague Messiaen, left a deep imprint on younger men's music. It definitely does not mean that he is dull or unadventurous or in the bade sense academic.

Dutilleux writes little, works slowly and with care. What he writes appeals to performers. The second of his two symphonies was commissioned by the Kussevitzky Foundation and first played under Münch. *Szell* and the *Cleveland Orcestra* baptised another symphonic work, *Métaboles*, Rostopovich commissioned and recorded *Tout Un Monde lontain* for cello and orchestra. In Britain Dutihueux is known more by repute than direct experience. Senior ballet-goers may remember *Le Loup* written for Roland Petit, with a spiky decor by Carzou. Now the EBF have begun to fill the gap with two chamber works, the Piano Sonata (fairly early, 1947) and the more recent (1976-77) anthe more recent (1976-77) string quartet *Ainsi La Nuit*, another Kussevitsky commission.

In a short spoken introduction the composer described the Sonata as transitional, a bridge between earlier neo-classical works and something "more inward, at times even abstract. . . ." The first two movements are recognisably attached to the world of Ravel's *Sonatine*, though with tart, Rousellian harmony. The finale, "Chorale et variations," is big (though not long) rather in the discreetly monumental way of Dukas. It was played on Thursdhy with the expected authority by the dedicatee, Genevieve Joy, *who is the composer's* wife: she added a short Prelude (1974) which like two of the Sonata's movements had a soft, questioning close.

The quartet is on one long movement divided into seven sections sometimes separated by short but pregnant "parantheses." Both form and instrumental colour are intricate. One may only guess the formal subtleties at a first hearing but the feeling of coherence is strong. So is the impression of night *moods—only one* section is actually called "Nocturne" but the ability of night to magnify tiny sounds is everywhere. The result is "like" Bartok only up to a point. The extreme sensibility is just as much Bergian, while the precision of means and feeling as well as some modal colouring relate to Debussy and Ravel. Cs)eciathee'd0 r iostlity.' R H work stands on its own nimble feet.

The concert was also noteworthy for welcoming back to London the Via Nova Quartet, a *distinguished* ensemble from Paris praised here before now for their recordings in the Erato album of Fauré's chamber music. Their playing of *Ainsi La Nuit* had a bewildering wealth of nuance and a mysterious, darting fire, like a consort of dragon-flies. Ravel's *Quartet after the interval* showed the same subtle brilliance with a suitably smoother surface.

Una partita & Suor Angelica

BY MAX LOPPERT

The Opera Group of Morley College supported its already enviable reputation for venturing interestingly off the beaten track by giving, on Thursday, in an uncredited translation, the British premiere of *Una partita* (*A Game*) (1933), a one-acter by Riccardo Zandonai. He was one of the most important figures of post-Puccini Italian opera—which is to say, a figure of minor importance in the longer *Italian operatic perspective*. Even in a work like the full-length *Francesca da Rimini*, the only one of Zandonai's ten operas to have survived into something like repertory status, the flood of enjoyable Itanianate musical romanticism tickled by breezes of Wagner and Debussy does not conceal the air of artistic decadence about the enterprise, or the epigonic quality of Zandonai's particulat *achievement*.

Una partita, with its almost entirely male cast a cunningly chosen companion for the all-female *Suor Angelica*, gives off a yet more decadent air. Everything about it is second-hand—the plot (drawn by Arturo Rossato as an *episode* from the *Dumas père* play *Don Juan de Mañara*) a distasteful (at least to late 20th century taste) mixture of male chauvinism and faded Spanishry, the music a tired though very fluent blend of sub-Mascagni (a final offstage serenade reminds us that he *was Zandonai's* teacher) and sub-*Carmen*. Don Juan (tenor) and Don Pedro (baritone) play a game of cards for the prize of Pedro's mistress Manuela (soprano). Juan wins her; she attempts to poison both herself and her new master, though at the close she alone dies and he remains, a quizzical victor.

If there were any pleasures to be taken in the encounter, they were mostly those of *noting how*, even in a dying operatic tradition, stock devices of proven worth may still compel a certain kind of operatic vitality — the vocal line, particularly that for the tenor, implies an instinctive understanding of singers' vanities and audience susceptibilities that is not wholly to be despised.

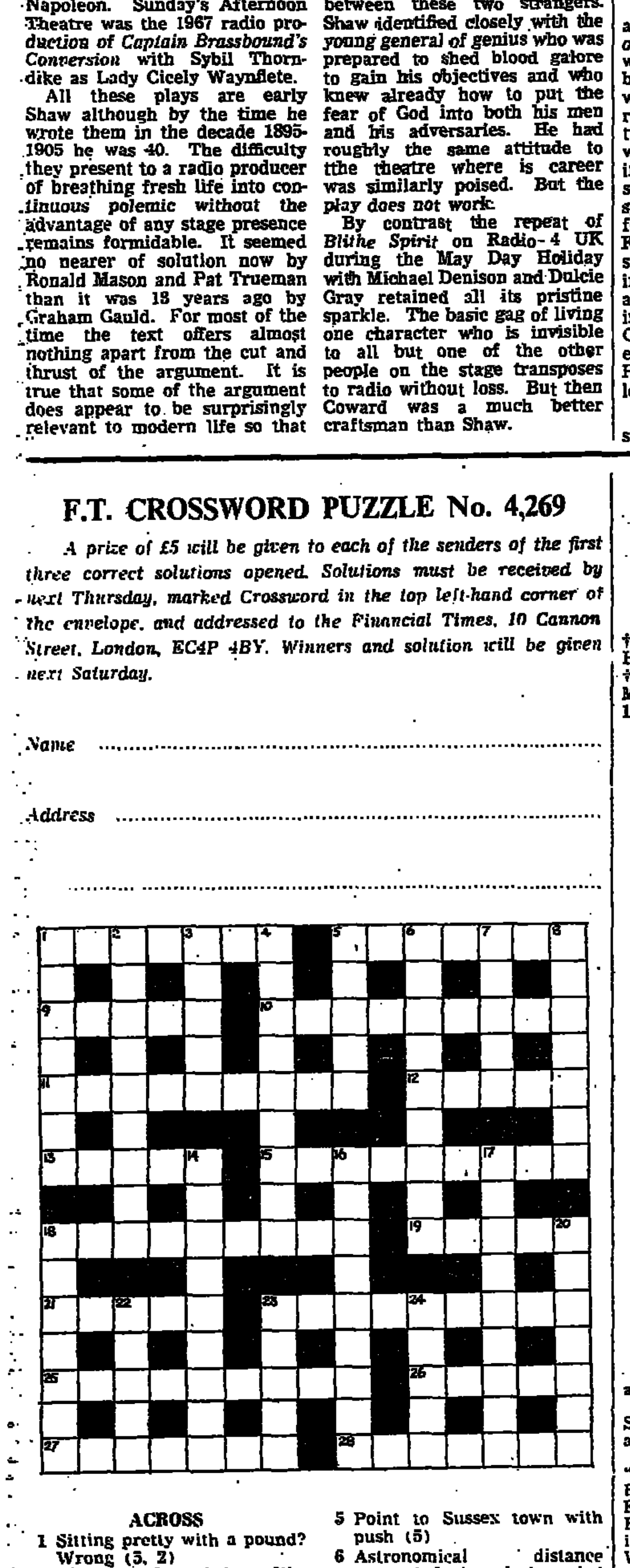
The Morley performance, produced by Andrew *Downie* and most sympathetically conducted by David Shaw, was plain, effectively so. At the 1933 La Scala premiere the most famous singer had been Rosa Raisa as Manuela; here, it was an unusually promising young tenor, Warwick Dyer, who made a particular mark. The voice boasts a real ring, real substance—provided he can be pressed into contriving a more even scale and a less lightweight stage manner, he should go far. It took no more than five minutes of Puccini's opera after the interval, in another plain and very touching reading by a capable young cast, to sum up the difference between genius and well-routined operatic craftsmanship.

F.T. CROSSWORD PUZZLE No. 4,269

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



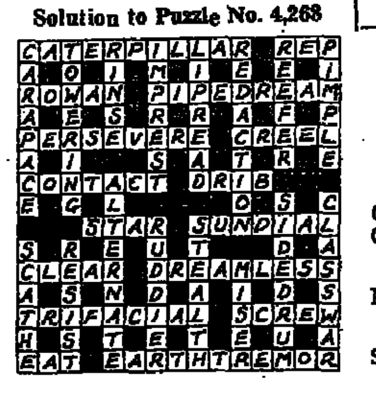
ACROSS

1 Sitting pretty with a pound? Wrong (5, 2)
5 Given comfort tied up like this (7)
9 Fool certainly to test metals (5)
10 Healthy mourning surprised expression (4, 5)
11 Add up male biography exactly (2, 3, 4)
12 Subject for autobiography (5)
13 Soldiers do something to respond (5)
15 Live without term amended by revolutionary (9)
18 Showman appears before seconds put their names down (9)
19 Command right liner (5)
21 Attract agency typist to West-end (5)
23 Directors at liberty to take part of ship out of water (9)
25 Music driving minister to drink (9)
26 Divert to morning employment (5)
27 Beat *chap* with a *touching* line (7)
28 Dreamy duke finds the people here useless (7)

DOWN

1 Put up with mercy (7)
2 Eats it in a storm but never has enough (9)
3 Way of writing full title (5)
4 Careless breaking egg in Lent (9)
5 Point to Sussex town with push (5)
6 Astronomical distance covered during slack period (5, 4)
7 Church embraces border offence (5)
8 *Failing outside left to send* another way (7)
14 Majority previously had to score another single (6-3)
16 Man's legs end in yard (5, 4)
17 Indisposed to humour malevolence (3, 6)
18 Quickstep becomes mine with a little butter (7)
20 Note outfit has to be put right (7)
22 Lodge member with mother and child (5)
23 Blow out key quarter (5)
24 Pick on second class to halt (5)

Solution to Puzzle No. 4,268



TV Radio

†Indicates programme in black and white

BBC 1

9.10 am The Banana Splits. †9.40 Champion The Wonder Horse. 10.05 Feeling Great. †10.15 Zorro. 11.05 Mickey Mouse Club. 11.27 Weather.
11.30 Cup Final Grandstand: Arsenal v West Ham United. 11.30 Cup Final Morning; *11.40 Cup Final Phone-in*; 11.55 Young Player of the Year Award; 12.00 The Road to Wembley; 12.12 News Headlines; 12.15 The Cup Final Managers; 12.25 Cup Final Mastermind and Racing from Lingfield (12.55 and 1.20); 1.10 Cup History; 1.40 *Inside Wembley*; 2.45 Abide with Me; 3.00 FA Cup Final, including Half-time marching display; 4.45 Presentatio of the Cup and Medals by The Duchess of Kent; 4.55 Meet the Winners; 5.05 Scottish Cup Final (highlights).
5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 Rolf on Saturday OK?
6.20 Saturday Night at the *Movies*: "Robin and the Seven Hoods," starring Frank Sinatra, Dean Martin, Sammy Davis and Bing Crosby.
8.20 The Val Doonican Music Show.
9.05 Knots Landing.
9.55 News.
10.05 Match of the Day.
11.05 Saturday Night at the Mill.

All Regions as BBC 1 except as follows:

Cymru / Wales—5.45-5.50 pm Sports News Wales. 11.55 News and Weather for Wales.

Scotland—11.25 am-12.45 pm "Man Behind the Gun," starring Randolph Scott. 12.45-5.15 Cup Final Sportscene: Scottish Cup Final: Celtic v Rangers, including 3.45 highlights from Wembley. 4.40 Cup presentation; "Goal of the Season" Competition and Racing from Lingfield at 1.00 and 1.30. 5.45-5.50 Scoreboard. 10.05-11.05 Sportscene Special. 11.55 News and Weather for Scotland.

Northern Ireland—5.45-5.50 pm Northern Ireland News. 10.05-11.05 Sportscene Special. 11.55 *News and Weather for Northern Ireland*.

England—5.45-5.50 pm (South West only) Spotlight Sport.

BBC 2

7.40 am-1.55 pm Open University.
3.35 Saturday Cinema: "Rosie," starring Rosalind Russell.
5.10 Horizon.
6.05 Grapevine.
6.35 Armchair Critics.
7.05 News and Sport.
7.20 City of Towers by Christopher Booker. An *account of the planners' brave new world*.
9.25 The Levin Interviews (Pianist Arthur Rubinstein).
9.55 Film International: "The Last Supper."
11.45 News on 2.
†11.55 Midnight Movie: "City for Conquest," *starring James* Cagney.

BBC 2 Scotland only—6.05-6.35 pm Scottish Conservative Party Conference (Final day).

LONDON

8.30 am Sesame Street. 9.30 "Tarzan's Three Challenges," starring *Jock Mahoney*.
11.15 World of Sport—1980 FA Cup Final: 11.20 Meet the Managers; 11.25 On The Ball—Wembley Special; 12.00 Bruce Forsyth's All Star Secrets Cup Final Special; 12.30 News followed by Australian Pools Check; *12.40 Wrestling* (Part 1); 1.00 Wembley '80; 2.10 Wrestling (Part 2); 2.30 Wembley '80; 2.50 The Presentation; 3.00 The Kick Off; 3.55 The Second Half; 4.40 The Final Whistle: presentation of the FA Cup and medals by the Duchess of Kent.
5.20 News.
5.30 Happy Days.
6.00 Russ Abbot's Madhouse.
6.30 Chips.
7.30 Mixed Blessings.
8.00 Stars In Action: "You Can't Win 'em All starring Charles Bronson and Tony Curtis.
9.45 Tales of the Unexpected.
10.15 News.
10.30 Charles Endell Esquire.
11.30 Pro-Celebrity Darts.
12.00 The Practice.
12.30 am Close: Personal choice with Denise Coffey.

All IBA Regions as London except at the following times:

ANGLIA

9.25 am Saturday Morning Film: "The Thief of Bagdad." 5.30 pm Mork and Mindy. 6.00 Sale of the Century. 6.30 A Man Called Sloane. 7.30 Russ Abbot's Madhouse. 8.00 How The West Was Won. 11.30 Soap. 12.00 Superstar Profile (William Holden). 12.30 am At The End Of The Day.

ATV

9.10 am Crisis?—The Energy Question. 9.35 *Learn To Sing*. 10.00 The Monster Movie: "Son of Godzilla." 5.30 pm Mork and Mindy. 6.30 B.J. and the Bear. 8.00 Saturday Cinema: "Our Miss Fred," starring Danny La Rue, Alfred Marks and Lance Percival. 11.30 Lifeline.

BORDER

9.10 am Crisis. 9.35 Learn To Sing. 10.00 Saturday Morning Film: "And No One Could Save Her," starring Lee Remick. 5.30 pm Mork and Mindy. 6.30 B.J. and the Bear. 8.00 Saturday Night at the Movies: "Raid on Rommell," starring Richard Burton. 11.30 Pro-Celebrity Darts.

CHANNEL

5.27 pm Puffin's Pla(i)ce. 5.30 Mork and Mindy. 6.30 B.J. and the Bear. 8.00 TV Movie: "Sunshipe Patriot." 10.30 Sea and Ships. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show.

GRAMPIAN

9.00 am The Beachcombers. 9.25 Sesame Street. 10.20 Tarzan. 11.15 Kum Kum Cartoon. 11.45 Scottish Cup Final from Hampden Park including The Scotsport School Challenge and at 12.00 Glen Michael Cavalcade. 12.40 pm Scotsport Quiz. 1.10 Wrestling. 1.45 English FA Cup Preiew. 1.55 Save of the Season. 2.10 Cup Final Preview. 2.50 Scottish Cup Final: Rangers v. Celtic. 3.45 *Half-time*. 3.55 *Second Half*. 4.40 Final Whistle. 4.55 Review of Scottish and English matches. 5.30 Mork and Mindy followed by Area Weather Forecast and Shinty Results. 6.30 The Incredible Hulk. 8.00 Saturday Action Film: "The Lady In The Car With Glasses And A Gun," starring Samantha Eggar, Oliver Reed and John McEnery. 11.30 Searchd Laithean. 11.45 The Odd Couple. 12.15 am Reflections.

GRANADA

9.30 am Crisis: "Coal and Gas." 9.55 Saturday Special: Wonder Woman. 5.30 pm Mork and Mindy. 6.30 The Incredible Hulk. 8.00 Saturday Night *at the Movies*: "Skyjacked." 11.20 Darts World Knock-out Cup. 12.00 For Adults Only: "A Long Day's Dying," staring David Hemmings, Tom Bell and Alan Dobie.

HTV

9.15 am Learn To Sing. 9.40 Link. 10.05 Fangface. 10.30 Wild Boy. 5.30 pm Mork and Mindy. 8.00 The Saturday Movie: "Our Miss Fred." 11.30 The Electric Theatre Show. 12.00 The Entertainers.

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.20 pm News followed by Report Wales Headlines.fl 5.30-6.00 Sion A Sian.

SCOTTISH

9.10 am Crisis: The Energy Question—Coal and Gas. 9.35 Build Your Own Boat. 10.00 Makin' It. 10.30 B.J. and the Bear. 11.45 1980 Scottish Cup Final *from Hampden Park*. 11.55 *Glen Michael Cavalcade*. 12.15 pm Scottish Cup Final including Schols Challenge. 12.30 News. 12.40 Sportsport Quiz. 1.05 Studio Guests. 1.20 Wrestling (part 1). 1.40 English FA Cup Preview. 1.45 Wrestling (part 2). 2.10 Scottish Cup Preview. 2.30 Wrestling from Brent (part 3). 2.50 Scottish Cup Final: Rangers v. Celtic. 3.45 Half time. 3.55 Scottish Cup Final (Second half). 4.40 Final Whistle/Presentation. 4.55 Results Service/Interviews. 6.35 A Man Called Sloane. 8.00 Feature Film: "The Best Pair of Legs in the Business." 11.30 Late Call. 11.35 *Soap*. 12.05 am Fully Licensed for Singing and Dancing.

SOUTHERN

8.45 am Learn To Sing. 9.10 Sesame Street. 10.07 Regional Weather Forecast. 10.10 Tarzan. 5.30 pm Mork and Mindy. 6.30 Charlie's Angels. 8.00 "Our Miss Fred," starring Danny La Rue. 10.30 Southern News. 10.35 The Bary Westwood Talkabout. 11.35 Barney Miller.

TYNE TEES

9.00 am *Saturday Shape-Up*. 9.05 Cartoon Time. 9.10 Saturday Shake-Up. 9.20 The Saturday Movie: "Log of the Black Pearl." 11.00 Saturday Shake-Up. 5.30 pm Laverne and Shirley. 6.30 A Man Called Sloane. 8.00 Saturday *Shoot-Out*: "This Savage Land," starring Barry Sullivan. 11.30 Tropic. 12.00 Jazz Night: Charlie Mingus. 12.30 am Epilogue.

ULSTER

9.30 am Crisis—The Energy Question. 9.55 Sesame Street. 10.55 Cartoons. 6.30 pm Charlie's Angels. 8.00 Saturday Cinema: "Dr. Strangelove," starring Peter Sellers, George C. Scott and Sterling Hayden. 10.29 Ulster Weather. 10.30 The Lord Mayor's Show. 11.15 Sports Results. 11.20 Charles Endell Esquire.

WESTWARD

9.25 am Gus Honeybun's Birthdays. 9.30 The Lost-Islands. 9.55 Look And See. †10.00 Feature Film: "Child's Play." 11.12 Westward News. 5.27 pm Westward News. 5.30 Mork and Mindy. 6.30 B.J. and the Bear. 8.00 TV Movie: "Sunshine Patriot," starring Cliff Robertson. 10.30 Sea And Ships. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show. 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 "The Great Race," starring Jack Lemmon, Tony Curtis, Peter Falk and Natalie Wood. 6.30 pm A Man Called Sloane. 8.00 The Big Film: "Destiny of a Spy," staring Lorne Greene. 11.30 Vegas.

RADIO 1

‡ Medium Wave only

5.00 am As Radio 2. 7.00 News. 7.03 *Playground*. 8.00 *Tony Blackburn* with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 A King In New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock On Saturday (S). 7.30-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.07 David Jacobs with Star Sounds (S). 10.02 Pete Murray's *Cup Final Special* (S). 1.02 pm *Sport On 2*: FA Cup Final (1.02, 1.35, 2.05, 2.45, 3.55, 5.00). Racing from Lingfield (1.10, 1.25, 1.55, 4.50, 5.45). Rugby Union (1.10, 1.50, 2.30, 4.50, 5.35): British Lions v Eastern Province. Tennis (1.15, 1.45, 4.50, 5.35): WCT Tournament of Champions: plus news of cricket, Rugby League, golf, motor cycling: classified racing and cricket (5.45). 6.03 European Pop Jury. 7.02 *Three In A Row*. 7.30 Sports Desk. 7.33 Big Band Special (S). 8.02 Saturday Night Is Gala Night (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News, and 12.05 am Sports Desk. 2.02-6.00 You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 *Aubade* (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Franck (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.15 The Classical Guitar (S). 8.00 "The Knot Garden": Opera by Tippett, Act 1 (S). 8.35 A Musical Ramble (S). 8.55 "The Knot Garden": Acts 2 and 3 (S). 9.55 Moortown by Ted Hughes. 10.15 Beethoven and Bartok piano recital (S). 11.00-11.05 News.

VHF Only—Open University 6.00-8.00 am.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather: programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather: programme news. 8.00 News. 8.10 Sport On 4. 8.46 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster. 10.30 Daily Service. 10.45 Pick of the Week (S). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 Conversation Piece. 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Little Dorrit. 3.25 Join Radio 3. 5.00 You *Are What You Eat*. 5.25 *Week Ending*. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Natalie Wood. 6.55 Stop The Week With Robert Robinson. 7.35 Baker's Dozen (S). *8.30 Saturday Night Theatre* (S). 9.58 Weather. 10.00 News. 10.15 The Country Diary of an Edwardian Lady. 11.00 Lighten Our Darkness. 11.15 Friendly Enemy Aliens. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart *Colman's Echoes*. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM Des Fahy. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Our Kind Of Town. 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

SOLUTION AND WINNERS OF PUZZLE NO. 4,266

Mr. T. W. Gardner, 1 Abbots Close, Grange - over - Sands, Cumbria LA11 7BZ.

Miss F. P. M. Jackson, 41 Mallory Road, Hove, Sussex.

Mr. A. S Woodhams, 6 Avenue St Nicholas, Harpenden, Herts.

CHESS SOLUTIONS

Solution to Position No. 319

1 QxN! PxQ; 2 R-N8 ch, K-R2; 3 B-Q3 ch, K-R3; 4 R-R8 ch, K-N2; 5 R-R7 mate. If instead 3...B-K5; 4 RxB, PxB; 5 RxKP dis ch, K-R3; 6 R-N6 ch, K-R2; 7 R-R5 ch and mates.

Solution to Problem No. 319

1 R-K8, NxR; 2 N-B4, or if NxP; 2 N-K7, or if N-R4; 2 Q-Q4.

COLLECTING

Cabinet secrets

BY JUNE FIELD

"A SMALL, close apartment, or recess, in the side of a room, for utensils, articles of furniture, curiosities, etc." This was the description given by Dryden of a closet, or *un cabinet*.

The Dauphin had a monastic closet *boise a la capucine*, the term used to describe varnished oak panelling, so called because it was as stark as the walls of a cell of a Capucin monk.

Other retreats were large enough to entertain intimate friends, Goldsmith referring to "a chair-lumbered closet." The *cabinet* of Madame de Rohan was hung with moquette, and the faction that gathered there were known as "La Moquette."

Cotgrave's *Dictionnarie of the French and English Tongues*, 1632, referred to "a closet, little chamber, or wardrobe wherein one keeps his best, or most esteemed substance."

As John Thornton points out in his inestimable *Seventeenth Century Interior Decoration in England France and Holland* (Yale University Press 1978), such esteemed substance could include "important documents, jewellery, special articles of clothing, and mementoes of all kinds — all suitable items for storage in the ornamental cabinets and writing-desks that are often listed in inventories as being in closets."

As Mr. Thornton said: "It would be interesting to know more about something of these charming little rooms which often had such a potent influence on the subsequent history of taste in Europe."

So it is particularly appropriate that this week John Evelyn's *Closest of Curiosities* has been recreated at the Geffrye Mrseum, reconstructed on the basis of Evelyn's inventory of his family seat in Wotton, Surrey. It is a permanent display at this delightful museum that is housed in the former almshouses of the Ironmongers' Company in Kingsland Road, London, E2 (open Tuesdays to Saturdays 10—5, and Sundays 2—5.

The focal point is the ebony cabinet which was made for Evelyn in Paris in 1652 before he returned home with his wife Mary (still a child-bride, they married in 1647 when she was 11), to settle at Sayes Court. A Younger son of a country gentleman of a large estate, he came intto possession of Wotton House when his brother died in 1699.

The cabinet was auctioned at Christie's about two years ago, destined to be exported to Germany; it was saved for the nation with the help of grants fro mthe Victoria and Albert Museum Purchase Grant Fund, the National Art-Collections Fund, the GLC, Boroughs of Hackney and Lewisham, and donations from a large number of private individuals and organisations; the total figure required, £18,000, was raised within two months.

A small room of late 17th century panelling has been grained and marbled by Mark Ram as a setting for the cabinet, and a collection of appropriate items (mostly on long-term loan from the Victoria and Albert Museum and the Horniman Museum), displayed in the authentic manner.

John Evelyn's ebony cabinet on display at the Geffrye Museum

Mr. Jeffrey Daniels, the museum director, says: "Obviously it has not been possible to match every item on the Inventory, which has been used rather as a point of reference to stimulate what it is hoped will be seen as an imaginative recreation of one of those closets or cabirets that the *virtuosi* of the period loved to fill with rarities and curiosities, that comprised everything from works of art to specimens of natural history."

The inventory was drawn up in 1702, four years before Evelyn died, aged 86. The work of sorting things out had obviously been in his mind for some time. Writing to his "dear, worthy and constant friend," Mr. Samuel Pepys, in the summer of 1700, he reflected: "My sand runs lower than yours. . . . This alarm, friend, is constantly in my thoughts, intent upon finishing a thousand impertinencies (to) render my habitation, my library, garden, collections and the work I am about, complete."

Only the previous month when Evelyn had been "ranging of no fewer than 30 large cases of books" at Wotton, he had found himself "sorely attacked with a shivering, followed by a feverish disposition." Mr. Pepys responded with a warning to "remember what o'clock it is with you and me." (Pepys, some 15 years younger, died in 1703.)

Mr. Daniels has assembled a fascinating assortment of esteemed and curious objects, and plates, underglaze blue vases and *blanc-de-chine* cups. Thene there is a *Hercules And The Centaur* group, a 17th-century engraved Dutch shell, a turtle skull and a stuffed baby alligator called Charles. When I spoke to Mr. Daniels he was still looking for an armadillo, a bufaloe and a camel. He hopes that collectors will come forward with appropriate *curiosa*.

GARDENING

The many shades of shade

BY ARTHUR HELLYER

SHADE IN the garden is not a disaster nor even a serious handicap since there are some plants for which it is essential and many to which it is agreeable. All the large leaved species of rhododendron come into the first category and camellias into the second and one could not ask for finer shrubs than these.

But shade is not all of one kind nor of one cause. There is the contrast between sideways shade and overhead shade; the shade, for example, cast by buildings or walls and that beneath trees.

In the one case the plants will be open to the sky though they may never see the sun but beneath trees even the sky may be excluded at least during the summer.

If the trees are evergreen that period could be extended to the whole 12 months. There are plants for all these conditions, but not necessarily the same plants. Nor should they be cultivated in quite the same way.

A few books have been written about plants in shade but I have not read any that cover the subject so logically and comprehensively as one that is to be published on Monday—*Shade Plants for Garden and Woodland* by George E. Brown (Faber and Faber) who has also written the best book on pruning ornamental trees and shrubs.

He was the assistant curator of the arboretum at Kew Gardens for many years and excels as a teacher as well as a morticulturalist. Though £9.95 seems a high price for this quite slim volume, it is probably realistic these days for a book prepared for a fairly small, specialist market.

Shade created by buildings varies. If the plants are on the north side, they will get no direct sunshine, except possibly in early morning and late evening in high summreeY.t ... ing in high summer. Yet according to Mr. Brown even these brief periods of sunshine extend thet range of plants that can be grown successfully, and this may be increased further if some kind of shelter, such as a fence, or a not-too-high hedge, can be sited still further to thet north, sufficiently far away not to exclude those brief interludes of sunshine, yet near enough to ward off the cold northerly winds which can a north-facign wall hazardous for some plants.

Walls that face east are less favourable than those that face west. They do not store warmth in the afternoon to mitigate night cold, and they may warm up too quickly on a sunny morning which, if it happens to follow a frosty night, can cause a lot of damage.

Frozen plants like to thaw out slowly. By contrast the west facing wall is relatively warm at night and cool in the morning which is ideal for many shade-loving plants.

Soil close to walls can be very dry and that near a north facing wall can be the driest of all. This is because much rain in the British Isles comes from the south and south-west and the north wall shelters the soil from this.

There are two remedies, one to make the soil more retentive of moisture by adding plenty of leaf mould, peat or even clay, the other to water more frequently and freely than in moister places.

Shade cast by trees is far more complex. It is not simply the difference between evergreen and deciduous. Trees differ greatly in the density of their foliage and the way in which they hold their leaves.

Those of beech overlap so thoroughly that they make a complete umbrella in summer which, combined with the hunger of beech roots, explains why the natural undergrowth in beech woods is usually light. By contrast, eucalyptus trees, though evergreen, produce light shades since they hold most of their leaves on edge.

Almost as important for the plants growing beneath them is the date at which deciduous trees come into leaf and the speed with which they produce their maximum canopy.

At bluebell time in 1973, interesting observations were carried out at Kew. May 18 was the day chosen and the purpose was to assess the degree of cover which various trees were then giving. To make it intelligible six atages were recognised and indicated by numbers, 0 representing trees which had still not broken bud and 5 those in which the leaf canopy was already complete.

The zero rating was given to ten species, *Acer griscum, Ailanthus vilmoriniana* (but not A. altissima which scored 1), *Broussonetia papyrifera, Catalpa bignoniodes, Cladrastis lutea, Gymnocladus dioicus, Koelreuteris paniculata, Meliosma veitchiorum, Sorbus cuspidata* and *Tilia oliveri*.

Only two trees, the common horse chestnut and its relative *Aesculus flava*, had already achieved a full canopy but ten species rated a 4 and these included such popular trees as Norway maple, silver birch, beech, hornbeam, hawthorn, flowering crab, laburnum, golden willow, lime and English elm.

This difference in leaf timing must have an effect on the plants growing under the trees; especially those plants, such as bluebells and other spring bulbs, that complete their growing cycle early and may already be dormant by midsummer. But this is not the whole story. Later that same year, when all the trees were in full leaf, they were asssed again for the *density of their* canopy. The birch and laburnum were then judged as giving only light cover whereas all the other or "medium."

Pruning can be used to open up trees and particularly to remove lower branches, so letting in a lot more light impairs the beauty of some kinds more than others. Oaks and pines are recommended as cover for woodland gardens.

Much of this book is concerned with the best plants to grow in shade and over 200 genera of both woody and herbaceous plants are described in alphabetical order.

This useful section is followed by a quick reference table in which all the plants are listed again with the uses for which they are specially recommended. There is a good index, some very helpful line drawings and a few photographic illustrations both in colour and monochrome.

Memories of youth

GOLF

BEN WRIGHT

THE GOLFERS I have envied most during a 35-year-long love-hate relationship with the game have been those hundreds of thousands of weekend hackers to whom it is such a marvellous form of relaxation. After the rigours and pressures of their Monday to Friday existence. They don't expect miracles. They don't spend hours on the practice tee before going out in a vain search for a smooth new swing. They are quite happy with what they've got, even if in pure golfing terms that doesn't amount to a great deal. So they don't have a gleaming matched set in a leather bag as heavy and unwieldy as the average dustbin, but just a few rusty shafted hand-me-downs in a Sunday bag that many generations of moths have been quite content to call home.

No, I haven't envied those hordes of contented haekers. I have loathed and despised them *for their happy complacency*. I always wanted so much more from golf than pure enjoyment —pure misguided fool. And as a youth the game came easily to me. For years I lived in ignorance of the most blissful kind of how difficult and humiliating golf can be. In the innocence of youth I used to talk about the 20 foot putts I missed as if one should hole them all as a matter of course. For week upon week in the summer holidays I would play 54 holes daily, analysing each round in detail in the evenings. Imagination ran riot as I would quite contentedly plod round all alone, dreaming that if I could just finish with three pars the Open Championship would be mine.

As it turned out I hardly ever won even a monthly medal. So where did it all go wrong? During two years away from playing the game on National Service I played truant from my unit one day, and just happened to see one of the great matches of all time. Tiny "Tiger" Poulton took the great Fred Daly to the 30th hole in their 18 hole encounter in the old News of the World match play championship at Walton Heath. The diminutive Poulton looked every bit like a scruffy little terrier snapping at the hells of the big man from Belfast. I stood close by and watched in silent wonderment as the legendary Ulster man washed down a tongue sandwich with a glass of milk and went out, whistling incessantly, to thrash Peter Alliss, who had been waiting around for what must have seemed like an age, by 6 and 5.

On that fine day I became so obsesed by golf I determined *to make it my life. The only* trouble was that on my return to "civvy street" and the game, with a handicap of two, I had somehow discovered just how difficult golf is. The foolhardy bravery of youth had ebbed away to reveal a craven coward. I became happy to hole a three foot putt, let alone talk of missing 20 footers. And instead of placing drives in the right area of the fairway with something approaching regularity, I hit, hoped and sprayed the ball all over the place. But worst of all I developed one of the greatest abilities to shank short iron shots in the history of the game.

So proficient at shanking did I become that the love affair with golf turned to despair, humiliation, yes, and even hate. On one unforgettable occasion four pars would have been good enough to win a prestigious amateur competition. The figures that went on my card were 7, 5, 6, 6. Of course there were periods of remission from the disease to raise hopes of a cure. But when one least expected it the ball would lurch away to the right in its sickening arc on its way into the undergrowth.

The eminent teaching professional Ken Adwick even taped lights to various parts of my anatomy and the dreaded wedge, and had me shanking in the dark to photograph the plane of the swing so that he could put the prints in his wretched book. I had so many letters of sympathy from readers of this column when I first wrote about my ailment it became clear that it was a virulent epidemic of world wide proportions.

Rontino's Trial

WITH PREDICTABLE foresight, the Lingfield executive planned today's meeting to ensure the largest possible attendance through an 11.30 start on this Cup Final day. It enables the BBC to cover the afternoon's feature event, the Ladbrokes Derby Trial as well as the Freshbake Food Stakes.

With a number of Derby hopes waiting for Wednesday's Mecca-Dante Stakes at York, today's Group 3 Derby Trial has something of a sub-standard look about it.

Nevertheless there are, in Rontino and Ginistrelli, two colts with classic potentions in the line-up. I hope to see Rontino come out on top.

From the peak form stable of Dick Hern, this Bustino colt, with the benefit of an encouraging recent run behind him, certainly has the right credentials.

Given normal luck this afternoon, Rontino can follow in the footsteps of last year's West Ilsley winner, Milford.

Freshbake Foods must be bitterly disappointed with the turn-out for its 1¼ mile handicap to which it contributed *£5,000 of the £7,500 added prize*-money. Nine were withdrawn at the final declaration stage, leaving Prince of Padua to take on two modest opponents in Zebra Grass and Comedy Croft.

Charles St. George's Prince of Padua will have benefited considerably from his run in the Crawfurd Handicap and he should have matters well in hand from a long way out.

Earlier in the afternoon, One Fleet Street and Joint Command both seem sure to shine in their respective races, the Tulyar Stakes and the Parthia Stakes.

One Fleet Street, a half brother to Owen Dudley is rapidly improving and is given a confident vote. Joint Command, who runs half an hour later, struck me as a useful two-year-old in the making on his debut at Newmarket last week and he is taken to surprise the previous winner, Airship.

Selections
LINGFIELD
11.30—One Fleet Street***
12.00—Joint Command**
12.30—Haddfan
1.00—Prince of Padua
1.30—Rontino*
2.00—Glenhawk

FINANCIAL TIMES SURVEY

Saturday May 10 1980

Lead and its Uses

Fluctuations in the market and escalating production costs reveal that the metal is an increasingly valued commodity. There is real concern about its availability from primary sources and recycling remains a vital means of maintaining supplies. Lead's future uses are the main theme at the Seventh International Lead Conference, opening tomorrow in Madrid.

WORLD LEAD STATISTICS
(thousands of tons)

	Mine production				Metal production				Refined consumption			
	1976	1977	1978	1979	1976	1977	1978	1979	1976	1977	1978	1979
Europe	454	469	468	504	1,387	1,485	1,466	1,497	1,514	1,565	1,560	1,585
Belgium	—	—	—	—	106	104	104	92	55	59	56	50
France	28	32	33	30	195	206	208	215	228	210	212	205
Germany F.R.	37	37	32	34	278	307	305	314	241	250	272	291
Italy	30	31	30	29	118	118	116	122	265	260	251	258
Spain	67	65	72	72	105	116	120	128	117	120	116	119
Sweden	82	88	82	84	33	43	45	41	22	25	18	19
UK	2	3	2	2	342	351	346	359	318	318	336	344
Yugoslavia	110	118	110	120	114	138	121	120	77	88	95	96
Africa	144	176	178	176	127	134	123	131	83	79	88	99
America	1,253	1,316	1,352	1,319	1,661	1,776	1,794	1,786	1,570	1,735	1,699	1,626
Canada	243	328	366	339	176	188	194	184	62	64	65	71
Mexico	186	160	164	165	173	206	209	209	81	88	94	92
United States	565	550	542	532	1,107	1,169	1,188	1,175	1,269	1,413	1,399	1,311
Japan	52	55	57	48	219	221	228	221	230	246	268	262
Australia	381	414	380	390	212	216	239	254	75	75	74	76
Total	2,370	2,509	2,513	2,510	3,655	3,895	3,922	3,970	3,642	2,892	2,897	3,876

Source: Rayner-Harwill Metal Markets review

Soviet buying brings turmoil

By John Edwards
Commodities Editor

LEAD IN RECENT years has very much belied its reputation as a dull metal of limited interest. *Instead, the market* has been an exciting one with prices fluctuating violently and unpredictably to reach a record level of more than £700 a tonne last year at one stage before collapsing this year to well below £400.

Unexpected, and unexplained, heavy buying of lead by Communist bloc countries, led by the Soviet Union, has thrown the market into turmoil. This has caused considerable disruption and expense to Western world buyers, who normally have been able to rely on lead being available in sufficient quantities at stable prices.

Why the Communist bloc has needed to import so much lead from the Western world in recent years remains something of a mystery. Many theories have been put forward. Among them: domestic production problems in the Soviet Union itself both in mines and smelters; stockpiling against a possible war; more use of lead for armaments and nuclear programmes; an attempt to disrupt Western economies by purchasing strategic metals; and even last year the bizarre story that the Russians had developed an economic process for turning *lead into gold*.

Certainly they did so for a period by forcing lead prices to unprecedented heights.

Perhaps the most likely explanation is that production difficulties coincided with a period when the Communist bloc was already facing great problems in keeping up with the growth of demand. The move towards improved living standards obviously involves greatly-increased use of metals, especially lead, to provide the batteries for an expanded car industry.

At the same time the cost of petrol can be kept down by stepping up the use of lead oxides boosting the octaine rating in areas, like the Soviet Union, where there is not the same concern about polluting the atmosphere as in the highly-industrialised West.

Generally the move towards higher living standards in developing countries is making them the main growth market. However, the major markets for lead are still in the industrialised countries, which have been hit by the worsening oil crisis, chaos in currencies — particularly the U.S. dollar — and the failure to control inflation.

These influences have affected all metals, but compare the behaviour of lead with its sister metal zinc and it can be seen that special factors have been at work in the lead market.

Historically, zinc has tended to be more expensive than lead because the smelting process for zinc is normally rather more costly. While lead has been higher in price than zinc on occasions in the past, the difference has been exceptional in recent years although the two metals are now moving back closer together.

Ironically, zinc's diminishing popularity has boosted lead. Cutbacks in zinc production forced on producers by uneconomic *prices* have often involved cutbacks of lead output too since the metals often come from the same ore.

These involuntary cutbacks have come at a time when the world supply of primary lead is none too plentiful. There is no great scarcity of supplies yet, but lead mines like any *other metals have been hit by* vastly increased costs of production.

The richest deposits have become, or are gradually becoming, *exhausted and new* deposits have a lower concentration f lead. Indeed there is real concern about future resources of primary lead giving *rise to forecasts of shortages* developing later this decade.

Against this gloomy outlook for primary lead supplies must be set the prospect of obtaining more secondary, or scrap, lead recycled after being used once or more. Scrap lead can be recovered and refined to the standard quality of primary supplies.

Already scrap provides a larger proportion of total lead supplies than any other metals. This is partly because the main uses f lead are in easily recoverable sources like cable, sheet and pipes, as well as batteries.

It is this high proportion of scrap lead, with its totally different pricing structure to primary supplies, that undermines attempts by mine producers to control world prices —although this has been managed quite successfully in North America where the control and primary and secondary refineries is in much the same hands.

Eleswhere, the price of lead is based on the London *Metal* Exchange quotations, which reflect both primary and secondary supplies. Any sharp rise in price normally brings in a *flood of scrap lead supplies* that helps cool the market down again.

The fact that this mechanism has not been working too well in recent years is a worrying feature for consumers, especially battery makers, for whom lead represents an important proportion of the total cost of the *product*.

They have been particularly incensed by the fact that a relative modest tonnage, in world terms, taken off the *market by Communist bloc* countries can create such havoc in the market when supply and demand is fairly *evenly balanced in the West*.

It is difficult to see what can be done, particularly as lead producers, who used to control the market to a large extent by *judicious buying and selling*, have been frightened off doing so by the anti-caretl *laws* in their countries, which carry heavy penalties.

At the same time the lead market, like other metals, has also been heavily influenced by speculators seeking protection for their funds by "investing" *in metals with a basic intrinsic* value and relatively easy storage facilities.

Lead has not the glamour of silver, gold or copper but it *did attract a great deal of* speculative interest when it became evident that Russian buyers were mopping up residual supplies on the London Metal Exchange and thus creating the ideal opportunity for squeezing the market by buying up nearby supplies.

At the moment the outlook for lead is by general consent rather gloomy. Its main use, for batteries, has been curtailed by the hardships affecting the *industry*. It is also facing a difficult struggle in other traditional main outlets — such as cable, pipe and sheet and alloys.

The decline in output of tetra*ethyl lead used as an anti-knock* additive has been slowed by the U.S. decision to delay its anti-pollution measures and the general desire to make the best use of oil resources.

The result is likely to make the industry even more dependent on the battery market. So far *attempts* to replace lead in batteries with other materials have met with little success, even though it has been possible to cut down, significantly in some cases, on the amount of lead used.

However, the gradual development of electric vehicles; the rising demand for higher-duty batteries and the development of maintenance-free batteries requiring more lead is promising, although it will increase the importance of scrap at the expenseof primary lead.

The expansion of nuclear energy could also provide a big market for lead in shields and barriers against radiation.

It is paradoxical that while lead is being condemned as a dangerous pollutant on the one hand, it is at the same time playing an increasingly important role in environmental terms. It has a high rate of recovery, thus reducing waste of natural resources, and is an essential component in providing battery power and in reducing the *risks involved in* the expansion of nuclear energy.

Demand from energy-related industries

THE USE of lead in energy related industries is still essential despite technological advances.

Although environmental pressure has led to a reduction in the use of tetraethyl and tetramethyl lead as an anti-knock additive in petrol, this has had to be weighed against the loss of combusion efficiency in an energy starved world.

Last year nearly 59,000 tonnes of these compounds were made for this purpose in the UK, compared with about the same amount used as metal in batteries, and 56,000 tonnes used as battery oxides. A total of 336,000 tonnes of lead was used in the UK last year.

The year also marked the first decline in the sue of lead as a petrol additive, and the virtual disappearance of five star petrol because of its relatively high lead content. This fall is likely to continue in line with a step-by-step annual reduction of lead content, due to fall by a further 10 per cent at the start of next year.

The United States, a major user of lead additives, is also reducing content, partly because lead interferes with the operation of catalytic converters being developed to reduce carbon monoxide, hydrocarbons and nitrogen oxides in exhaust fumes.

The development of high performance plastics has progressively displaced the use of lead as cable sheathing, with the tonnage used for this purpose in the *UK falling from* around 36,000 tonnes in 1975 to less than 27,000 tonnes last year.

Aluminium is also used as a replacement in some applications.

Although the properties of lead sheathed cable, normally produced by means of extrusion, remain sound apart from some weight disadvantage, the lower price of plastic materials has been a major factor in causing this change.

Demand

Thetonnage used for this purpose is expected to continue to decline throughout the world, although it will probably stabilise before long because of the continued demand for lead in larger, more complex power cables which require high durability under extreme conditions.

The nuclear power industry has filled whatever gap this may be creating. In the past decade demand has built up for lead shielding equipment, mostly for containers used to transport radio active material. Within nuclear power stations much of the shilding is now achieved with concrete and steel.

There are also hopes that the boomin gelectronics industry will boost demand for lead, mainly through the use of solder. Recent advances in micro-electronics, far from making the use of solder redundant, have created a need for high quality electrical connections, and solder remains the best answer.

The tonnage of lead used for this purpose has remained fairly steady at around 13,000 tonnes a year, although it dropped to less than 12,000 tonnes last year, perhaps in response to high prices and a fluctuating market.

The overall spread of the market for solders, through the electrical industries to general engineering (*such* as for radiator sealant) and household use, must ensure that demand will remain fairly strong.

Other general uses of lead include the use of lead foil for packaging and damp protection, as a principal or secondary ingredient in bearing metals, and the *main constitutent in* hot-metal type for printing, although this is being largely replaced now by photographic type setting methods.

Overall, demand for lead has remained fairly stable for a long time despite sometimes violent fluctuations in price, because it is an essential material in so *many diverse* industries which must use it, regardless of cost.

Lorne Barling

LEAD AND ITS USES II

Battery manufacturers face long-term challenge

THE WORLD battery industry, faces a challenging period in by far the largest user of lead, which its steady pattern of trade may become more dynamic because of the effect on power generation of energy shortages.

Although radical changes are unlikely in the short term, battery manufacturers are conscious of the fundamental re-thinking which is going on in the motor industry because of soaring oil prices.

In the UK and most other countries, output of batteries and the industry's consumption of lead, as a proportion of the total sold, has increased slowly but steadily. The UK industry uses around 110,000 tons of lead a year, or about a third of total annual lead consumption.

The performance of lead-acid batteries has improved over recent years, in line with greater demands placed on them by the array of electrically powered devices on vehicles. But the development of micro-electronics has reduced that demand somewhat, and more emphasis is now placed on efficient use of power.

Longer life batteries are, of course, a mixed blessing for the manufacturers, who similarly suffer a fall in seasonal demand after a warm winter, but technical developments continue.

In the U.S., the mantenance-free battery is gaining popularity, and although there is less enthusiasm in Europe, it could be the next big advance, at a price of course.

Although advances have been made with other types of batteries, such as those using sodium sulphur, there is little challenge to lead as the prime material.

The British battery market, though dominated by the major companies such as Chloride, Lucas, Haddon Oldham and Crompton Parkinson, also has room for a wide range of smaller companies, usually meeting regional demand.

Overall starting, lighting and ignition battery production in the UK is difficult to pin down, but some estimates put the figure as high as 6-7m units a year, with imports at a fairly low level. The larges sales are to the replacement market, while around 1.2m go to new vehicles.

At present the market is slow, creating lay-offs among the smaller manufacturers, because of the mild winter and problems in the motor industry. Imports of cheap batteries from Eastern Europe are therefore an unwelcome additional problem, which the industry is studying.

Flexible

It is felt that if the position continues to worsen, battery prices could fall, leaving a lot of lead on the market. There has already been a heavy fall in demand in the U.S.

Although smaller companies have flexibility, they suffer from a disadvantage when seeking to increase output, because production techniques are becoming more difficult and capital costs far higher.

On a fairly local level they can usually remain competitive, but with the major companies now working hard to achieve weight reductions of 20 or perhaps 30 per cent, often involving new materials and alloys, things are becoming more difficult.

The second largest market for lead-acid batteries is for powering industrial trucks, where demand has been growing steadily and real comparisons with internal combustion engine costs can be made.

Apart from the other traditional uses for the lead-acid battery, such as in marine, aircraft and standby power plant applications, there is now considerable interest in tests being carried out with electrically powered delivery vehicles.

Lucas has been in the forefront here, where it has been decided that the most suitable use is in a 1.5 ton range delivery vehicle, which has an established pattern of use and can therefore be easily recharged.

In the U.S. far more optimism is evident about the future of the electrically powered car, built in large numbers.

Although this would be a major development for the world battery industry, there is clearly a long way still to go before the limitations of battery power are reached.

Lorne Barling

Compounds slow rust

ONE AREA in which the use of lead has grown rapidly in the U.K. in the past five years is paints and other compounds—apart from petrol additives—where consumption has grown from less than 26,000 tonnes in 1975 to nearly 33,000 tonnes last year.

The most widely recognised use is the traditional pigment for rust inhibiting priming paints applied direct to untreated iron and steel. White lead, widely used in the past as a paint pigment, now plays only a minor role in paint technology, reflected in UK use of only a little more than 1,000 tonnes last year.

Lead chromate, which is a strong yellow pigment, is widely used as an ingredient in green paints, as a colour in plastics and in yellow paints for road markings, and for signs and warnings.

Rust has been a long-term problem, associated mainly with large steel structures which literally involve full-time maintenance. Although stressed steel and concrete have taken the place of steel in many major projects, red lead paint remains the only answer for anti-corrosion.

The complex process of rusting, which involves an electro-chemical process which can only take place in the presence of air and moisture, can seldom be completely arrested, but by suppressing some reactions red lead proves effective for a time.

Numerous paints based on red lead are available, and because red lead has a fairly wide range of compatibility it can be incorporated in systems designed for various specific applications.

Calcium plumbate, a pigment made by heating calcium oxide and lead oxide, has good anti-corrosive properties and has been used for some years as a major ingredient in primers for iron and steel.

Paints made from this are unique in their ability to adhere well to zinc and galvanised steel, and these surfaces painted with a calcium plumbate paint have corrosion resistance greatly exceeding the combined resistance of the paint and zinc films.

Valuable

This process is especially valuable if the material is to be continuously exposed to industrial fumes and smoke.

Apart from providing the best series of paint pigments for anti-corrosive purposes, lead compounds in paints form films which are exceptional in their elasticity and durability. Prominent in this class is white lead, which is used as a priming pigment for wood and other non-metallic surfaces.

Although white lead is the predominant material in paints for priming non-metallic surfaces, two other lead compounds are worth mentioning in this respect.

Lead sulphate, more popular in the U.S. than in Britain, where basic white lead seems to meet all requirements, has similar properties, although its covering power is not as great.

Another pigment which is widely used abroad is lead cyanide. In West Germany it has been a popular pigment for many years and is one of the standard materials specified on the German, Austrian and Swedish railways.

Another compound use of lead is in certain plastics such as PVC, where it acts as a stabiliser to extend the range of temperatures over which they can be processed.

The best stabiliser is basic lead carbonate, provided the opaque white colouring of the compound can be tolerated. It is therefore suitable for opaque whites, grey and other light colours but cannot be used when translucence is required. In this case lead silicate could probably be used instead.

In the manufacture of unplasticised compounds stabilisation is essential, and again lead compounds appear to be the best, but they are also opaque and their use is limited to materials where this is acceptable.

Lead compounds are also a constituent of glass used in shielding partitions against radioactive materials, allowing safe viewing, while lead powder is incorporated into plastic and rubber sheeting as a material for protective clothing.

Lorne Barling

Health dangers unclear

MEDICAL SCIENCE can say confidently that one substance is more dangerous, weight for weight, than another; lead is more toxic than tin, for example. It may be able to put limits on, say, blood levels below which it can be sure that no harm will be done, and above which the victim will almost certainly be damaged. This is so in the case of blood levels of lead.

But between those widely separated limits will be a grey area where harm may or may not be caused, or may be countered unwittingly by some other concurrent action.

Nor can medical science be sure that exposure to a toxic substance such as lead means that those exposed will automaticlly be poisoned.

Two years ago geochemists engaged on a quite different venture found very high levels of lead, cadmium and zinc—all potentially toxic metals—in the soil of Shipham, a Somerset village near Cheddar Gorge.

The Government pondered the implications for several months, then announced that it was very worried about the effects of these poisons on the health of the villagers of Shipham, who were growing and eating vegetables on soil contaminated by wastes form mines long abandoned. The Government asked them to collaborate in an urgent medical investigation.

Over a year later the Government released its first report. There was no doubt about the exceptionally rich diet of heavy metals to which the villagers were exposed, through their own garden produce. But the doctors could find no evidence whatsoever that the diet was having any adverse effect on their health. Investigations would continue said the report, including one into villagers' claims that htey tend to live longer than other people in Britain.

The frustration felt by some people when medical science stubbornly refuses to confirm a widely held belief about health and safety was clear in March when the long-awaited Government report on Lead and Health,* was published.

Annoyance

The Department of Health working party under the chairmanship of Professor Pat Lawther, head of the Medical Research Council's Toxicology unit at St. Bartholomew's Hospital in London was set up to investigate lead in the environment.

To the annoyance of those who have convinced themselves that the use of lead in petrol should be banned, the report concludes that airborne lead is not the most important contribution to the lead found in people. Food and water contribute more.

"In the vast majority of the population airborne lead, including that derived from petrol, is usually a minor contributor to the body burden," the report said.

The committee was promptly accused of "whitewashing" the problem, of producing the conclusion the Government wanted, even of being in the pay of oil companies.

The Lawther report calls for lead in the atmosphere to be progressively reduced, and to be kept at a concentration of less than two microgrammes per cubic metre of air in places where people spend a lot of time.

It acknowledges that measures necessary to achieve this end may include reduction of lead emissions, relocation of industry or of housing schemes, or changes in traffic management. It also calls for more monitoring of lead in the vicinity of "hot spots" such as scrap lead smelters.

On the bigger issue of lead ingested from food and water, the Lawther report calls for greater efforts to eliminate lead from manufactured foods, for example the pick-up of lead from solders used in food canning. It concludes that, should the current programme for chemically treating water supplies in areas of naturally soft, acid water fail to prevent the water from dissolving lead, plans should be considered for replacing lead plumbing.

It calls for restrictions on lead in consumer products such as certain imported cosmetics.

But the report makes it plain that the area of greatest public concern is also the area of greatest difficulty on which to reach firm scientific conclusions. This is the long-term effect of low levels of lead on people, particularly on newborn children—the people most vulnerable of all to environmental lead.

Various health effects have been ascribed to long-term, low-level exposure to lead, including mental retardation, kidney damage and changes in cardiovascular function.

What is hard to pinpoint is precisely at what levels of lead such changes may begin to take place.

Lead and Health; the report of a DHSS working party on lead in the environment. HMSO, price £4.50.

David Fishlock

Change in needs for building

THE MOST traditional use of lead is in the building industry, which is currently experiencing one of its worst recessions since the war, so far with less impact on demand for lead than expected.

After batteries and petrol aditives, the building industry is the largest user of lead in the UK, purchasing nearly 48,000 tonnes of sheet and pipe last year. This compares with just over 50,000 tonnes in 1975.

It is acknowledged, however, that the market for lead pipe is now falling rapidly, mainly because of widespread use of copper and plastics. Recent health warnings about the use of lead pipes may have hastened this process.

Lead sheet, on the other hand, is becoming more popular among architects, who not only recognise its long-lasting properties for flashings and weatherings, but also its aesthetic appeal on large roofs, often on important buildings.

A recent example of this was Bankside Computer Centre, designed to house computers worth millions of pounds, justifying the cost of a great deal of lead protection at a relatively small proportion of the total cost.

In the house building industry there is evidence of a return to the use of lead in some applications where it had been dropped in favour of other materials, and the growth of this demand has offset the fall in pipe orders.

Lead sheet ig produced largely by cold-rolling on large rolling mills which are capable of producing sheet up to 3.6 metres wide and more than 18 metres long. Thicknesses from 100mm down to 0.025mm are available and are generally described as plate, sheet or foil as the thickness decreases.

Unique

Lead sheet is also produced by a continuous casting process, which generally limits the thickness to between 0.4mm and 0.8mm with a maximum width of around 1 metre.

One of the most attractive and unique properties of lead sheet is its malleability. While it has only moderate mechanical strength and a comparatively high coefficient of linear expansion, these are not characteristics that need limit the life of external lead work.

Experience has shown that the material can be used in such a way that the effects of thermal movement are negligible, even after centuries of exposure.

Most lead used for building applications is alloy-free because softness is an advantage, but some alloy compounds are used in the construction of chemical plants where modified properties are an advantage. Hard lead, often with a composition of 4 per cent antimony, is used in some countries, notably the U.S.

One recent development in building which has led to a reduction in the use of sheets has been the construction of many council houses without chimneys, doing away with the need for protective flashing. Increasing heating costs have made it necessary ot retain the option to use solid fuel, however, and the policy is being reversed in many areas.

More modern uses of lead sheet include wall cladding, which can be made in preformed panels in a workshop. These not only have aesthetic and protective value, but also act as highly effective sound proofing.

Lorne Barling

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Saturday May 10 1980

Drama, open and hidden

THERE ARE two quite different ways of taking abnormal exercise—the violent work-out, or the more discreet but potentially just as energetic system of dynamic tension, in which the muscles are *quietly* strained against each other.

In New York, market activity continues in the most dramatic way, with short-term interest rates falling almost as fast as they rose earlier, while in the bond market there has been a remarkable set-back after the huge earlier recovery. In *London, we prefer to take our* exercise sitting down, but the strains are there just the same, with the authorities trying to prevent money market interest rates rising, while warning the market not to hope for a fall. On both sides of the Atlantic, monetary control is proving a problem.

Relapsed

The extraordinary events in the U.S. are the result of a radical change of monetary regime in the middle of a crisis. The Fed virtually abandoned the management of interest rates last October in favour of a strict control of banking liquidity but because the U.S. banking system is vulnerable to prolonged interest rate pressures, the change involved an elaborate mixture of rationing and differential reserve requirements which has thoroughly unsettled it.

The result in terms of monetary growth has ben startingly successful, if the seasonally adjusted figures are to be believed (and there is much scepticism about them). The effect on the real economy threatens to be equally dramatic. Interest rates first shot up to unprecedented levels as the market acknowledged that the Fed meant business, and then relapsed ars investors began to position themselves for a deep *recession. The faltering of the* rally in the bond market may reflect the realisation that there are still some counter-vailing forces at work—notably a Budget deficit which is likely to be well above forecast.

Hopes

In London, that market has had years rather than weeks to get used to the pressures of severe restraint. The money and bond markets have moved in what is by U.S. standards an almost invisibly narrow rage since rates were raised to the pain threshold of last November. This steadier approach seems to have ben rather more successful if results are measured purely by monetary statistics. The money supply, as officially designed, has ben brought fairly smoothly within its target growth range, and we have escaped the wild swing from over-expansion to actual contraction seen in New York.

However, the picture for the real economy is hardly more encouraging than in the U.S. We seem to be heading rather less dramatically but rather more certainly into our own *deepest recession for five years.* The government hopes for a modest recovery thereafter—a 1 per cent growth rate, half of it due to North Sea oil. The Treasury Committee of the *House of Commons regards this* as reckless outimism.

Mild

The sad fact is that monetary restraint does not seem to have had any noticeable effect so far on expectations about inflation, and consequent behaviour. Wherever competitive pressures allow, wage settlements are running at about the 20 per cent mark and sometimes higher. On the other hand, the combined effects of monetary restraint and North Sea oil on the exchange rate have imposed a squeeze on manufacturing from which the Treasury Committee can foresee little relief in the next few years.

This unhappy prospect may well be largely due to a less appreciated fact about our squeeze: it is not as severe as it looks. If measured in terms of credit expansion rather than monetary growth, or by the gap between the cost of credit and the rate of inflation—the "real" rate of interest — it is quite mild. Academic opinion is divided *about* the best monetary policy to check inflation — gradual, as here, or more melodramatic, as in New York. For the time being, it is easy to understand why our own authorities are refusing to ease the pressure yet, while the Fed is willing to offer some relief after shock treatment.

Outlook

Meanwhile, those in search of any real comfort must turn their attetnion away from the English-speaking world — a *habit British investors have yet* to acquire, in spite of eight years of membership of the EEC. On the Continent and in Japan, the economic outlook seems much less gloomy, in spite of heavy dependence on expensive and possibly unreliable oil imports.

The fact that the whole world is not swinging into recession simultaneously, as in 1974, offers the best hope that the gloomier forecasts now fashionable will prove misleading. In one respect at least the international system is working better than before.

Bedouin visionary in shifting sands

BY RICHARD JOHNS, Middle East Editor

WITH typical bravado, Colonel Mummer Gadaffi of Libya has threatened the U.S. and Britain with both Libya's oil and financial "weapons" in his diplomatic confrontation with Washington and London. He has warned that he is "*seriously thinking*" *of cutting* off supplies of petroleum and withdrawing his country's assets from both countries.

Characteristically he did not explain the reason why: This was the determination of both governments to prevent Colonel Gadaffi from abusing diplomatic cover in his alleged bid to exterminate what he has *called "deviationists," or* exiled opponents to his regime.

For good measure Colonel Gadaffi also stated his intention, not for the first time, of exacting reparations amounting to "thousands of millions of dollars" for the devastation caused to Libya by fighting in World War II. But the latest demand is more compre*hensive than ever* covering all the three main protagonists—Britain, Germany and Italy — as well as the U.S. which was only peripherally engaged on Libyan soil.

Colonel Gadaffi gave public warning last month that exiled Libyan opponents *of his regime* should return home immeoiately or be "liquidated."

The exiles *might argue that* a similar fate could await them if they obeyed the call—though generally the regime has preferred incarceration to execution to punish enemies and dissidents at home. As it is, four Libyan exiles have so far been murdered: two businessmen in Rome and two journalists in London, who were both *embarrassingly well-informed* and articulate critics of Colonel Gadaffi's regime, have been killed.

It is claimed by Libyan dissidents that Colonel Gadaffi's hitmen are being helped by abuse of diplomatic privilege including the inviolability of embassies — for which he has twice in the past six months shown as little respect in his own capital, Tripoli, as Ayatollah Khomeini and the student militants in Tehran.

Colonel Gadaffi was unique *not only in condoning the* seizure of the U.S. Embassy in Tehran but praising the outrage. The U.S. nearly reached the point of formally breaking relations with Libya last December when its embassy in Tripoli was stormed and burnt down by demonstrators who, it is alleged, had been given an official go-ahead to support the Iranian students' demands for the return of the Shah for trial. Earlier, in February, France also stopped short of severing all links when its embassy suffered similar treatment in retaliation for President Giscard's support for Tunisia after the Libyan-sponsored guerrilla attack on the mining town of Gafsa. Britain and the U.S. have been faced with the problem of whether o rnot to cut off all diplomatic links. The same should also be true of Italy but —with its considerable commercial stake in Libya—it has avoided a showdown at all costs.

No country normally wants a complete rupture with another, especially a significant producer of oil. Since cutting output last month Libya's production of 1.7m barrels a day is about 6 per cent of the Organisation of Petroleum Exporting Countries' total. Yet it remains an important supplier.

It has been exporting no less than 600.000 b/d to the U.S., *about 8 per cent of its import* requirements but about 35 per cent of Libya's output. Thanks the North Sea the UK imports from Libya dwindled to nothing this year. Last year it exported nearly 350,000 b/d to West Germany, satisfying 16 per cent of its requirements and 300,000 b/d to Italy, about 15 per cent of its needs.

Recycling factor

Libya's *accumulated financial* assets are now probably in the region of $10bn, kept highly liquid but with a large proportion invested indirectly through proxies. Colonel Gadaffi's threat to withdraw them caused negligible qualms in New York and London yesterday.

A Libyan oil embargo against the U.S. would cause disloca*tion in world-wide distribution* but the oil could be recycled to the American market if production was not cut proportionately. With Iranian supplies disrupted for the foreseeable future the industrialised consuming countries could not look with equanimity at a reduction in Libyan output. Colonel Gadaffi has said *before that his people could* revert to a primitive existence and live off dates if necessary—though this must be in doubt given the level of domestic discontent.

He could contemplate cutting the 35 per cent of Libya's output which goes to the U.S., however, as this might serve to boost per barrel receipts further. At the same time he cannot ignore the possibility of U.S. counter-measures and the fact that American operating companies account *for some 65 per cent of Libya's* oil output.

For Britain and the U.S.—even more for Italy—there are other important considerations including existing contracts and business. Not the least of them, particularly in the light of the confrontation with Iran, is the presence of some 2.500 Americans (vital for oil operations), 5.000 Britons, and as many as 20.000 Italians, all of them hostages to fortune or, more specifically, the whim of Colonel Gadaffi.

Overall at a time of critical uncertainty in its relations with the Arab and Moslem worlds, the West cannot lightly risk becoming totally alienated from an oil producer of a sensitive strategic location and with an infinite capacity for making mischief. With a sublme sense of what he sees as his own manifest destiny *Colonel Gadaffi would appre*ciate the point and be happy to exploit it for all it is worth.

However, Libya's Bedouin visionary has no real friends, *only tactical allies, even within* the radical Arab world. Indeed, even those countries and parties with which he is, at any given time, on reasonable speaking terms regard him with nervousness and misgivings because of his impulsiveness.

Now, as always, Colonel Gadaffi presents a peculiar, puzzling spectacle in the shifting sands of the Middle East and North Africa. An Islamic fundamentalist himself, though of the majority Sunni sect, he has struck up an alliance with *Khomeini's Shi'ite Iran.* This has been achieved despite the fact that he was until recently the main sponsor of the Arab secessionist movement in Khuzestan, Iran's southern oil-producing province. He has also *been bitterly accused* (with apparent justification) of the disappearance two years ago of the Imam Moussa al Sadr, the Iranian-born leader of Lebanon's Shi'ite community.

In the Arab world he has, at least, a working relationship with the other members of the "Arab Steadfastness Front" opposed to any possible compromise with Israel now in prospect: Syria, Algeria, South Yemen and the Palestinian Liberation Organisation. As a "rejectionist," he out-bids them all in militancy.

As a young fundamentalist Moslem, in the early days of the revolution he was bitterly anti-Marxist and with a logic increasingly uncharacteristic of him, anti-Soviet. Then came his rift with President Sadat of Egypt following his refusal *to agree to an instant merger* with Libya in 1973 and the conclusion of the first disengagement agreement with Israel. Having helped save President Nimairi of Sudan from a Communist take-over in 1971, he tried strenuously to overthrow him in 1976.

Supplier of weapons

Since the signing of a wide-ranging co-operation agreement in 1974 collaboration with the Soviet Union has been extensive, albeit guarded, most prominently in the military field. Moscow has supplied several *billion dollars worth of* weapons including (before their receipt by any other Soviet client states) the MiG-25 interceptor and TU-22 bombers—flown by Russians for Mediterranean reconnaissance missions. *In* 1977 Libya made available its bases to assist the Soviet airlift in support of *Colonel Mengistu's Marxist* regime in Ethiopia.

The quantity and sophistication of the armaments are far too great for Libyans to main*tain or operate. There are said* to be about 2.000 Russian military advisers in the country, as well as North Korean pilots to fly the advanced MiGs and Pakistani's to man French Mirages.

At the Arab summit in 1970 called to end the conflict between Jordan and the Palestinians, Colonel Gadaffi *threatened, in person, to shoot* King Hussein. The late King Feisal of Saudi Arabia wryly commented that a psychiatrist should be called to judge whether the assembled leaders were fit to look after the Pan-Arab commonwealth. Subsequently, Egyptian doctors treating Gadaffi for nervous exhaustion concluded that he was a *schizophrenic.*

For Colonel Gadaffi the ends justify the means and there is an underlying logic to his apparent inconsistencies. These *lie in his dedication to expung*ing Israel from the map, his ambtion to inherit President Nasser's mantle as leader of the Arab world, and his related commitment to over-turning the established order in countries with regimes opposing him.

Colonel Gadaffi is generally believed also to have pursued a policy of oil-lubricated diplomacy and military adventurism as a means not only of asserting his and Libya's influence but also instilling in his subjects—after decades of Italian colonialism and with little or no sense of national feeling until recently —with a sense of identity. That may be so and to an extent has probably succeeded: but it back*fired with his military interven*tion on behalf of Field Marshal Idi Amin of Uganda in 1978 when his expeditionary force was humiliated and many of its members returned home in coffins. Given his aspirations, his problem has been that he is a leader with only a negligible population at his command, a shortcoming that cannot be made good by petroleum wealth or fanatic Islam-fired pan-Arabism.

Lige the Ba'athist regime of Iraq, which has concentrated on eliminating exiled dissidents, *Colonel Gadaffi* has a long history of abusing diplomatic privilege in pursuing his goals through terrorism. The latest *wane of* terror *is not* without precedence.

Indication of discontent

A decade ago attempts were made in Rome on the lives of prominent Libyans of the late King Idris's regime who were conspiring to overthrow Gadaffi after the then army lieutenant, at the age of 27, had staged his successful coup. His public warning and alleged dispatch of *death squads* this spring indicate the degree of discontent within Libya itself and his apprehension about it.

Only five of the original 12-man Revolutionary Command Council of 1969 remain. Concious of the political vacuum in his country Colonel Gadaffi literally went into the desert to draw up the political ideology expressed in his "Green Book," an intellectually half-baked Moslem equivalent of Mao's "Little Red Book." Dismissing the evils of Imperialism and *Marxism, it basically projects* Islam as the perfect form of socialism. To build an organic human power base and, it should be said, out of more than self-interest, he has sincerely sought to introduce a form of direct democracy through establishing a system of "popular committees." Its apex is the General People's Congress, *theoretically the ruling institu*tion of the land and expression of popular will, to which ministers—renamed secretaries, are technically responsible.

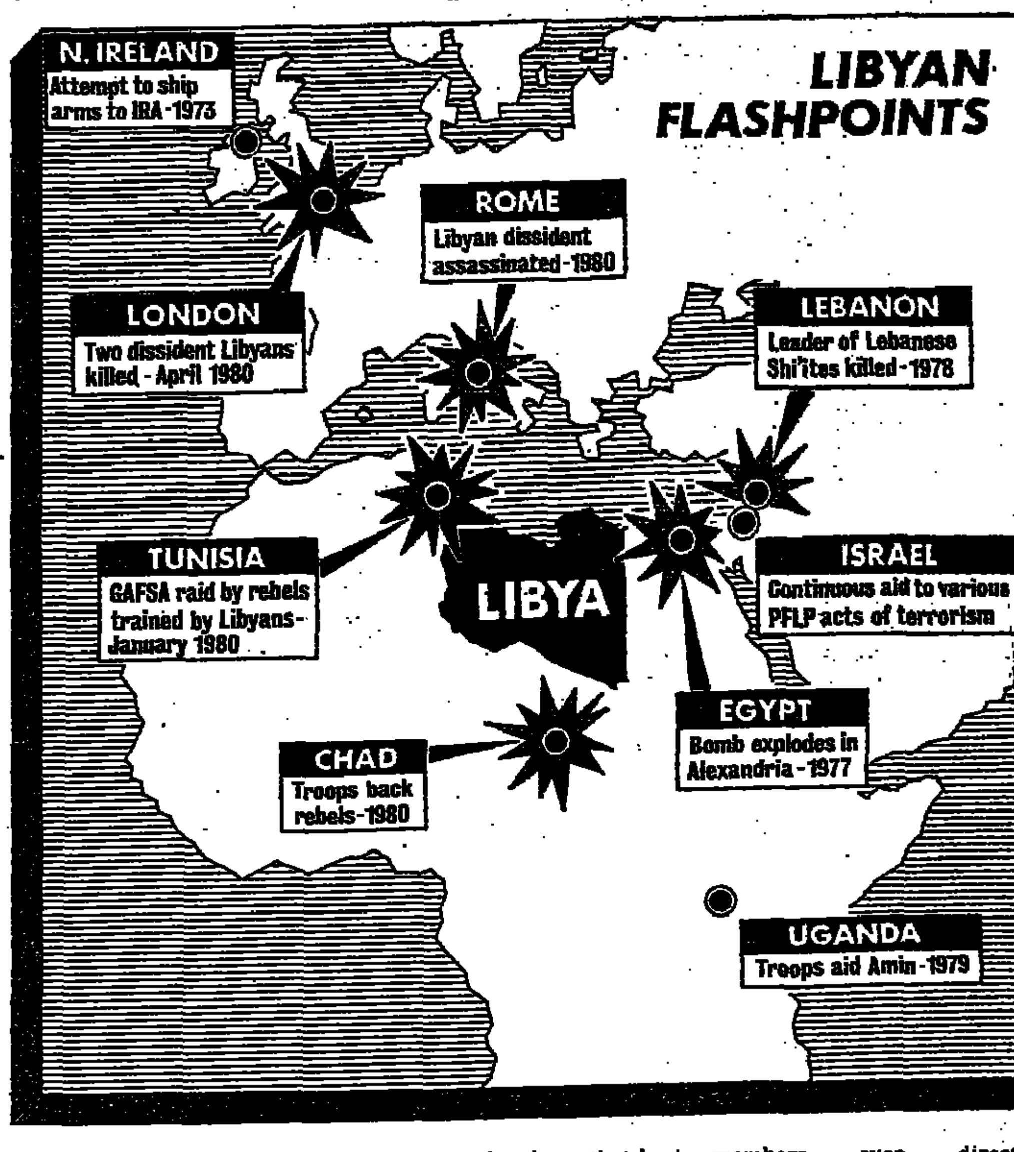
This body has showed it has a life of its own at times, with members even directing criticism at the leader himself.

However, the persistence of *of reports of opposition* and arrests over the past two months indicate widespread discontent. Rumours were rife in Tripoli that 50 officers were executed in the garrison town of Misrata *last year following* clashes with Soviet instructors. Demonstrations were reported to have taken place in February in *Tripoli and in Tobruk* last *month.*

It is generally accepted that at least 2,000 people were arrested in the early part of this year including a number of army officers, *as well as* senior officials and bankers. The corruption that a number of them are charged with may be a cause of popular discontent. The transfer of money out of the country illegally, would certainly be a symptom of it, especially among the professional, middle classes. The have naturally been very much less than enthusinastic about socialist measures such as the law forbidding ownership of property, apart from a single home, and nationalisation even *of the retail trade.*

As a result there have been shortages of foodstuffs and other basic commodities. Further disruption has been caused by the latest reform giving workers control of industrial plants. The big projects being carried out by foreign contractors with expatriate, mainly Egyptian, skills and labour, may be proceeding but overall the effect of applying Colonel Gadaffi's "socialism" has stulified the economy. More than ever Libyans are asking why they do not benefit more from ever-increasing oil wealth.

Colonel Gadaffi's sense of destiny is such thrat he may *not be desperately worried.* It would appear that he has reason to be. But it would be a mistake to assume that his grip on power over the country and its nortoriously apatheic people is about to be loosened.



Letters to the Editor

Oil

From Mr. N. Robinson

Sir, — As usual, Anthony Harris (May 1) has written an *elegant and thought provoking* article. It is, however, not at all clear to which problem our thoughts are to be directed. Indeed, his initial discussion of the correlation between his "excess credit" measure and the current account balance of payments—something which is guaranteed by the accounting conventions used in the UK — *together with the comparison* between 1975/1976 and the present time surely deflect his readers' attention away from the really important issues.

Can a policy stance which allows domestic credit to grow faster than sterling M3 be described as a "tight money" policy and can it be tough enough to contain inflation? Mr. Harris appears to conclude that such a policy would not be tough enough. This conclusion has, one assumes, also been reached by the Government and this explains its interest in watching *the figures for bank* lending to the private sector as well as those for sterling M3 and also its reluctance to intervene in the foreign exchange markets.

Will North Sea oil make so radical an alteration to the country's financial flows that the meaning of the numbers traditionally used for control purposes will be altered? On this issue Mr. Harris says little except that the various forecasts which have been made differ quite widely. I would *suggest that the oil flows will* change, not so much the meaning of the numbers as the appropriate policy reaction which should be made to them.

Should we in future treat the North Sea sector separately from the rest of the economy? Mr. Harris clearly feels that the statistics relating to the oil sector should somehow be split off from those relating to other parts of the economy but this is no justification for the view that the other parts of the economy should somehow be insulated from the impact of the oil sector.

Although the oil sector has some special features, it is not the only one in which the UK *is or will be self sufficient, it* is not the only one whose product prices are set on the world market rather than in the domestic market nor is it the only one which rests upon the depletion of a limited resources. It is not even particularly important in a macro-economic sense, accounting for only some 6 per cent of GDP. *The appropriate course of action* is not to isolate the sector from the rest of the economy, but, on the contrary, to ensure that the benefits which it bestows are spread through the economy in as beneficial a way as is possible.

Nicholas Robinson.
14a South Hill Park Gardens, NW3.

Sterling

From Mr. P. Milne.

Sir,—It is now common ground that the overvalued pound is destroying our manufacturing industry, with all the economic and political consequences that entails, and a way has to be found of making *sterling less attractive to over*seas holders.

Until North Sea oil, this country tried hard to create foreign enthusiasm for pounds and one important concession is that interest paid on gilts to non-residents does not suffer any tax deduction at source. Now that our industrial survival is at stake and immediate action is required, one simple and practical step would be to remove this concession and effectively charge foreigners a 30 per cent with*holding tax on interest earned* on Government securities.

This might push up gilt yields in the short term but we are told that gilt sales are going to decline from the very high levels of recent years and the change will not affect the attractions of gilts to UK investors. Retired expatriates would be hurt, and it might be possible to devise some exemption for small, long term private holdings, but clearly national interests must take precedence. Such a measure *would not of course bring* sterling to a valuation exporters could live with but it would be a step in that direction, and generate some tax revenue.

Peter Milne,
47 Roderick Road, NW3.

Motorways

From the Joint Managign Director, Boxfoldia.

Sir, — I was most interested in your article (May 2) on the proposed *M40* extension, and the map that was provided alongside.

If that map is accurate (and I have no *means of checking the* accuracy of maps — I have to take them on trust) then the M40 is a natural extension of the M42 which has already been fully approved and has gone through all the appeals and will be built.

It is true that the M1 is already overloaded, and as one *who uses Heathrow very occa*sionally the link via another good motorway will be a boon; I recognise it is a boon to me no the rare ccasions, so to the numbe rof other industrialists who use Heathrow frequently it will be an even greater boon.

I cannot believe that Ministers who have already approved the M42 could possibly in their *private interests oppose the ex*tension to the M40.

Dr. Beryl Foyle.
Boxfoldia, Bournbrook, Birmingham.

Radials

From the Editor, Tyres and Accessories

Sir,—In his article on the U.S. tyre industry (April 5), Ian Hargreaves stated the "... radial tyre invented by Michelin ...".

May I point out that although it is a little known fact, the radial tyre was invented and patented in England in 1913 by Gray & Sloper. The original patent clearly shows the radial construction. The patent also mentions that the "girder belt" could be of wire.

While it is one thing to design and patent an object, it is *another thing to make and* market it. Full credit must be given to Michelin for the wonderful work it did, but it is surely encumbent upon us to take the credit for the original idea.

George Marshall.
Tyres and Accessories,
136, Valley Road, Clacton-on-Sea, Essex.

Yiddish

From Dr. Z. Pelczynski

Sir,—I share C. P. Snow's liking for Isaac Bashevis Singer's works (May 3), but his comparison of the position of Jewish writers in Russia and Poland seems to me questionable. In the 20th century at any rate, the contribution of *Jews to Polish literature has* been very great and generally recognised. Polish literature is unthinkable without the novels of Szulc, Rudnicki and Stryjkowski or the poems of Tuwim, Slonimski, Jastrun and Hertz—to mention just a few names that immediately spring to mind. Writers like Singer stuck to their native Yiddish, but *those Jews who chose* Polish merged just as easily into the mainstream of Polish literature as Pasternak and others did in Russia.

(Dr.) Z. A. Pelczynski.
Pembroke College, Oxford.

Inflation

From Mr. A. Gray.

Sir,—The Financia Secretary to Treasury was reported on May 2 as indicating (with an air of pride?) that the sterling National Debt rose only just over 10½ per cent in the year to March 31 and that therefore the "real" burden had fallen as percentge of national income, because this was well below the rate of inflation.

Investors, at least, should feel aggrieved about this since it is they who are really lightening that burden although the honest taxpayer may not be quite so happy either since a 10 per cent nominal increase is still a 10 per cent nominal rise in his liability.

The "*real*" *position, how*ever, is rather more alarming than that presented by Mr. Lawson. By deduction from the published figures the average interest rate payable on the debt is 8.66 per cent yet almost every Government stock issue over the past 12 months has carried a coupon at least 50 per cent higher than that figure. There*fore the money cost of servic*ing that debt is taking a greter proportion of Government expenditure. Moreover monetrist policy as practised is going to keep interest rates high for some years to come—certainly in exces of 8.66 per cent—even though the Governmetn is being sensible in trying to balance the overall Budget.

Using Treasury forecasts for Government expenditure (at 1979 prices) for the period to 1983-84, we can see that a further £17bn will need to be borrowed, and that expenditure will fal from £74.5bn in 1979 to £70.5bn.

If we then assume that the average yield which investors are prepared to accept to finance Government debt during that time is 13 per cent (ie, 8.66 x 50 per cent) then the debt interest will rise from £7.9bn to about £10.8bn (because of new debt and refinancing maturing debt). Unfortunately this higher charge will be on a lower expenditure figure and in terms of the per*centage of total spending, debt* interest will absorb 15.3 per cent of budget in 1983-84 as compared to 10.6 per cent in 1979-80.

That is a pernicious increase which would be solely due to a high interest rate policy. The political cost of such a policy may yet prove itself to be too expensive.

We do have two other choices. Either we can adopt radical measures which would actually start repayments of public debts as and when they mature, or, we can continue to inflate.

Adrian Gray.
31, Russell Road, Wimbledon, SW19.

Engineers

From the Managing Director, Whiteland Engineering.

Sir, — From time to time articles and leaders appear in your paper regarding engineers, their status or lack of it in society, how they should be regarded and paid, to say nothing of the endless comments on the Finniston reprt. Yet, in spite of your apparent regard for the members of this important profession, o nApril 24 you commit the inexcusable slight to the profession by referring in the headings of two separate articles to engineers, when in the one, a NEDO report, you mean engineering craftsmen, and the second in connection *with the AUEW discussions on* the pay of engineering workers, comprising all the manual grades from labourers to skilled craftsmen. Surely if it not too much to expect the Financial Times to set some leadership in these matters and the improvement of public understanding and hopefully the status of engineers.

I would also comment that while it is generally accepted by the industry that we can only pay many of our skilled craftsmen and engineers an amount which is low relative to the training and skills concerned, I would argue with the NEDO assumption that poor career prospects are a reason for us losing craftsmen and would suggest that our trained men are attracted away by higher pay to non-career jobs available in the public and service sector, such as baggage *handling and the like.*

Incidentally, the minimum rate of £73 per 40-hour week for skilled craftsmen is for 20-year-approved course of training of *three to four years in craftsman*ship.

W. H. Whiteland.
Whiteland Engineering.
Torrington Lane,
Bideford, Devon.

Citizens' band cult past U.S. peak

BY DAVID LASCELLES IN NEW YORK

"Breaker One Niner, Charlie Croaker, Smokey's at the Birdcage and picture taker westbounders at the 678 split."

THAT MAY look like nonsense. But read on, because it is coming your way if Britain goes ahead with plans to legalise citizens' band (or CB) radios.

The string of jargon above, extracted from the ether around Manhattan means that a CB owner whose private call sign (or "handle") is Charlie Croaker, wants to break into Channel 19 to warn other motorists that the police (Smokey) are at Kennedy Airport (the birdcage), and that a radar trap (picture taker) has been set up in the westbound lane at the junction with Route 678.

But why, you may well ask, didn't Charlie Croaker just say so? And why does he call himself Charlie Croaker anyway? The answer is because CB radio is not just a convenience. It is a cult.

A CB radio is a comparatively simple gadget, consisting of a transmitter/receiver which can tune into about 40 channels, a loudspeaker and a microphone. Essentially the transistor-age heir to the walkie-talkie, it is about the size of a fat book and costs anything from $79 to $400.

In the U.S. today, at least 15m people have sets in their homes or cars (or both) which they put to a bewildering variety of uses: to trade traffic information, order a pizza at some parlour on the highway ahead, make a hotel reservation, or simply pour out abuse on the world in general. In fact the CB radio has become so embedded into the American way of life in the past 10 years that it has spawned an entire culture of its own, complete with language, manners, press, and laws. Indeed, some would add that it has recently rounded out the definition of culture by passing into the phase of decadence.

It all began routinely enough in the 1960s when truckers bought CB radios to keep track of each others' movements. But these appealing little gadgets caught the public imagination in 1972 during a truckers' strike when drivers were seen talking busily into little hand-held microphones in their cabs.

It was a powerful image: the truckers' brash trappings and their electronic wizardry, and it sparked off a craze for CBs which soon reached epidemic proportions.

By the mid-1970s, CB radio sales had soared from a few million dollars a year into the dozens and then the hundreds of millions of dollars. By 1976, the market was worth close on $1bn a year, and every electronics business in the country was scrambling for a share.

Most of the people who bought CBs did so for strictly practical reasons, to help them get in from out of town in the rush hour, to keep in touch with their employees, summon the police in an emergency and so on.

At the same time, a CB cult evolved out of what can only be described as the American nostalgia for the open road, spiced by those colourful, even bizarre cultures that are drawn to travelling life.

The truckers brought their tough traditions and clipped jargon, the hobos their wandering spirit, and the country and western fans their music and rural imagery. The traffic cops welded them al together by giving them a common enemy, and probably created the need for some kind of conspiratorial code—hence the jargon.

It was not long before the CB craze was producing its own creations: songs, records, films, books, poetry, to say nothing of a trade press that chronicled each new wonder of CB technology and plied its readers with ideas on how to use their sets to even greater advantage.

Today, CB-owning morterists in the big cities have evolved into a huge brotherhood which can collect, process and disseminate information much more efficiently than the police or motoring organisations. Complete strangers keep other abreast of traffic accidents, snarl-ups, good detours and, of course, the cops.

The usual procedure is for a motorist to tune into a local channel (if he does not know which it is, an appeal through a random channel will usually produce the necessary information). So long as he knows the jargon, he will get a fair idea of traffic conditions simply by listening to the conversations crackling to and fro. But if he has a specifice question, he can break into the channel like Charlie Croaker and put out his request. It is then up to anyone who hears him to respond.

CB exchanges are usually brisk, particularly at rush-hour when everyone is in a hurry. But at more leisurly times of the day, CB motorists strike up long conversatjons with other dirvers possibley several miles away.

Some CB enthusiasts with houses beside major highways have become self-appointed traffic monitors. On one of the main motorways leading from New Jersey into New York there is a formidable lady who calls herself Double Trouble and passes news of jams, cops and accidents to oncoming traffic, flirting with truck drivers the while.

But the same highway is also plagued by a Latin American revolutionary who jams one of the channels each morning with a mixture of blaring panish Spanish music and political slogans. He is not as offensive, however, as others who transmit obscenities and vitriolic attacks on prominent personalities.

A formidable lady, who calls herself Double Trouble, passes news of jams, cops and accidents to oncoming traffic, flirting with truck drivers the while.

The fact that such people can get on the air and stay there underlines one of the failings of CB in the U.S.: inadequate regulation. CB owners are supposed to have licences (these usually come with the sets and are free, so getting them is no hardship). Each licence gives the owner a call sign which he is obliged to use, but most CB owners have their own "handles" which they use as well—or instead.

U.S. Government rules prohibit people under 18 from using CB, ban the use of obscene language, and limit conversations to five minutes at a time. People must use only officially approved sets (which may not be modified), and limit their broadcasts to 250 kilometres.

But with 15m licensed CB owners (and probably millions more unlicensed), and only 42 official monitoring stations around the country, the Federal Communications Commission has a hopeless policing task. Most of the time, FCC monitors ignore the violations and concentrate on one or two persistent offenders, whom they track down with direction finders and prosecute. Even then, the werst they can do is confiscate the equipment.

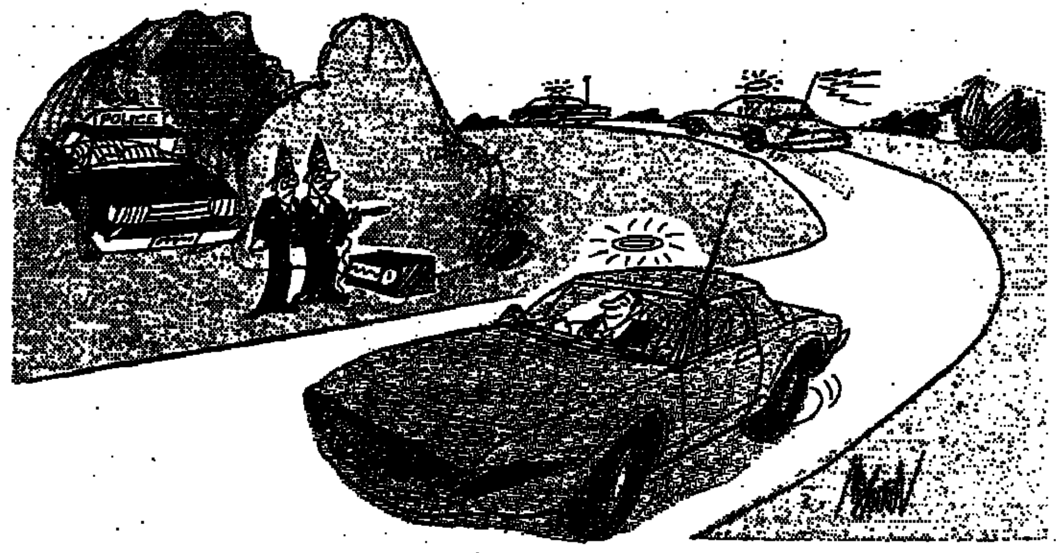
But CB have not necessarily made the cops' job harder. News of speed traps and the cops' whereabouts tends to make people drive more carefully. Besides, one CB channel (Channel Nine) has been set aside purely for emergencies, and this has made it much easier for the traffic police to answer calls for help. Radio users also tend to agree that CB's virtues outweigh its failings.

But CB radio is now suffering from a surfeit of success. In most cities, the 40 channels are frequently jammed with conversations for hours on end, a lot of it non-essential, some downright freakish, causing people to wonder whether the whole business has not become self-defeating.

Congestion of the airways was one reason for the sudden and totally unexpected collapse of the CB radio market after the 1976-77 boom. Sales slumped, and the competition became cut-throat as new technology forced down prices. A set which cost $100 in 1976 was only $40 a couple of years later. Most major American makers have abandoned the market, leaving the field almost entirely to the Japanese.

Today, the CB radio market is in a sorry mess, and the cult has declined with it, too. But the problem of congestion remains.

The FCC is looking at a number of possible solutions. One is to increase the number of channels to 105 by drawing on new technology called single sideband, which slices each wave band in half. But this would still not sort the freaks and chatterers out from serious CB users. So the FCC has a further plan to open up a completely new waveband for people with a genuine use for CB radio. This would require different, slightly more expensive equipment, though the FCC admits there would still be no guarantee that undesirables would not move across to this band, too.



"They've all become saints since Citizens' Band radio"

THE BRITISH MARKET

It depends on the radio frequency

BY JAMES McDONALD AND ELAINE WILLIAMS

VARIOUS ESTIMATES have suggested that the potential total market in Britain for citizens' band, or "open channel," radio will be between 6m and 8m sets, when it is legalised.

The Government's intention to select a band other than the 27 Megahertz frequency used abroad—possibly around 900MHz where few services operate—rules out the thousands of foreign sets which have been imported and used illegally and the estimated 100,000 sets on this frequency which are belived to be waiting in UK warehouses.

In a Commons debate last December the Government made it clear that the cost of administering the service was one of its major considerations.

Supporters of CB radio suggest that if the market rose to 6m sets, costing about £75 each, VAT would raise over £67m. With annual licence fees of £6.40—the same as the existing mobile radio licence—over £38m would be produced, providing £100m to run hte service.

The frequency which is chosen for the proposed open channel is critical for British manufacturers. GEC, for instance, has indicated that it would be reluctant to enter the market if a high frequency is selected.

The possibility of using 900 MHz was greeted by surpise by mobile radio manufacturers who are the most likely to compete when the final specifications for the channel and equipment is announced. They consider 200 MHz to be more feasible.

Pye Telecommunications, part of the Dutch Philips group, welcomed the Home Office decision. It has suggested that the new services should be in the lower part of the UHF band which ranges from 300 to 3000 MHz.

Pye said yesterday that there was quite a lot of equipment in existence for mobile use around the 200 and 400 MHz bands and many companies in the K had experience in this field. One of the bands commonly used for commercial mobile radio is between 450 and 470 MHz.

But Pye described 900 MHz for mobile use as largely exeprimental with many technical problems having to be overcome before production could be started.

Pye said that if a high frequency were chosen, the cost would be much greater and the market limited because of development costs. No company could estimate the price of a receiver, but many thought that it would be more than £100.

At the moment Pye does not have the capacity to manufacturer 50,000 units a year, quantities which would be needed if demand fook off.

Several other companies in the UK are making mobile radio equipment. Most are small concerns or part of a larger foreign group.

The small companies would prefer the "open channel" to use the 200 MHz frequency, because suitable equipment is already in existence. But that would mean that foreign competitors could penetrate the new market once they had switched from the 27 MHz frequency.

While the Government is soon to issue a Green Paper about citizens band radio, the Greater London Council is already receiving reactions to its own consultation paper issued earlier this year. The GLC is itself in favour of CB radio, provided it does not interfere with the freedom and rights of others.

The deadline for reactions to the GLC paper is June 4. The council said yesterday that so far, of about 30 organisations and bodies which had replied, the majority were in favour.

Weekend Brief

A regal look in Scarborough

"No gangs, crash helmets or football supporters." The sign outside a pub in Scarborough, that most elegant of Yorkshire watering places, reflects local concern at the rowdyism that has spoiled recent weekends in the town. Scarborough has alwys been the queen of northern resorts, with its ruined castle on a hill dominating the sandy beaches, its associations with he Sitwells—and less socially-acceptable poets such as Verlaine and Rimbaud.

Once it was very much the northerner's place to go. In the 1930s, a Yorkshire working-class family that took its holidays in Scarborough moved a mite up the social scale—from those settling for Blackpool or Bridlington. Blackpool was red-nosed comis and jazz, Scarborough light music on the Spa and Gilbert and Sullivan at the open-ir theatre.

It still looks elegant, but hte atmosphere has changed. The noble Grand Hotel, the site where Anne Bronte died and Verlaine and Rimbaud enjoyed their own way of life, is now taken over by Butlin's—a fate which many old Scarborians considered was worse than deatht, but which seems to be working out very well for both holidaymakers and the tourist business.

But there are signs of new attempts to preserve the traditional spirit of Scarborough. The Royal Hotel, just across the square from the Grand, and believed to be Britain's second oldest hotel the oldest is the Queen's at Cheltenham) has just been refurbished at a cost of over £1m and is making a big new bid for conference and family business.

The Royal has alwoys been very much the part of Scarborough. It was owned for three generations by the Laughton family its most famous member, Charles, the film actor, left Scarborough a long time ago).

His brother, Tom, ran it for many years—along with the equally gracious Pavilion Hotel opposite the station and now demolished—and put part of his splendid modern art collection in the Royal.

The latest development's in the Royal's history began in the 1960s when impresario Robert Luff first brought his Black and White Minstrel Show to Scarborough for a summer season. He stayed at the Royal, and in his own words, "I decided that if I ever went into the hotel business, I'd like to have the Royal."

After Tom Laughton retired, the hotel went to another company and later went into the hands of the receivers. And Mr. Luff realised his ambition, and bought it from them. So now the Royal becomes probably Britain's only privately-owned hotel which is also a charity. For all the money from Mr. Luff's various enterprises—including the Black and White Minstrel Show—go to the Robert Luff Foundation which helps causes such as the British Heart Foundation and other medical research organisations.

Mr. Luff's £1m facelift—most of which has gone into the local economy, because he has used local labour — preserves the style of a handsome early 19th century building. He is a dedicated collector — of playbills, pieces of military history (Churchill's war map autographed by World War Two leaders and Earl Haig's World War One HQ flag are displayed in the hotel. His porcelain collection rests in glass cases about the corridors. "The whole collection is insured for around £200,000," he says, "but that's nothing like its real value."

Hel wants guests to see the hotel as a museum as well as a place to lay their heads. "There's nothing I'd like better than to have them browse among the exhibits," he says. "The Royal is Scarborough and I'm so glad to have an opportunity to revive it."

The prospect of Butlin's across the square doesn't daunt him. "They're in a different business from us," he said. Was he going to spend more time in Scarborough now he had acquired the Grand? "Probably not," he said, "but I'd like to," and reled off a long list of interests in London, Easthourne, Bournemouth and Devon which will occupy his time. But his Black and White Minstrels are back in Scarborough at the Futurist Theatre, which he also owns.

The Royal looked splendi in its new cloths. A few hundred yards away the leather jackets were queueing for fish and chips alfresco and families ate mussels from cardboard plates. As darkness fell one kicked a Coke can every few yards along the seafront. Mr. Luff was probably unmoved. After all, the leather jackets are in a different business, too.

Grand hotel with donkeys

How they play cricket in Crete

To most people Corfu is simply a small, green, Greek island which abeunds with olive trees, goats and donkeys and is a most attractive holiday resort. It is not yet over-commercialised, and has many beaches, treacherous dirt track roads, splendid mousakas and an abundance of drinkable wine.

What makes Corfu unique is that the local Greeks, not just the expatriates and visitors, play cricket. Even more surprising the game is actually taught in local schools. The outcome is that the number of local players has substantially increased and two new clubs have recently been formed to provide additional competition for the long established Gymnasticos and Byron cricket clubs.

The cricket ground in Corfu town is very different from any I have encountered and my wife, who has see na few, can be forgiven for not originally recognising what it was. We were drinking coffee in a main square taverna which is on the edge of an oval which resembled a sand car park. It was well patrolled and watered by a canine gang and was being used for a 20-a-side game of football.

The cricket ground is enclosed by three contrasting architectural styles, French, Venetian and British. Only the last, with the Victorian bandstand and Government house, would not seem out of place in a normal cricket setting. There is no pavilion and the Tsino, as the abdominal protector is called has to be donned in the open of the surrounding tavernas who also supply somewhat primitive toilet facilities. It is probable that the ozo, which is cheap and refreshing, brings about the downfall of more visiting batsmen than either the vagaries of a worn mat or the bowling.

The Englishman mainly responsible for providing the impetus to ensure the game continues to survive in this unlikely setting is the former Somerset captain, Ben Brocklehurst, almost a one man MCC out there. For more than a decade he has run a Corfu cricket festival and also arranged for two of the best Greek players to attend a coaching course in England. Although one of them, Spiro—there seemed to be more Spiros in the island than Joneses in the Glamorgan Eleven—still skippers Byron CC. He hopes to see himself soon replaced by one of the new generation of Greek cricketers.

This year Ben, who owns the Cricketer Taverna is going with the principal cricket administrators on the island to see the Minister of Sport on the mainland to seek financial aid. This would be a sensible investment as cricket is already a considerable tourist attraction.

Although the cricket standards of Corfu are not high, they are improving and the aim will be to participate in the Prudential World Cup.

The effect of the volatile Greek temperament and language on a very reserved English game can be seen in many ways. Cricket with tears is not unknown and it is just as well they have not found a fast bowler as he would be liable to make Lillee appear subdued.

The fact that howdat stands for out is rather confusing, while the call of nay, which means yes, has caused numerous run outs. Corfu cricket has also produced the most unlikely batting prize. A young, shy "fancy cap" from England bombarded the buildings around the ground with a number of spectaclar sixes. His innings so impressed one Greek spectator that he offered his daughter's hand in marriage to a very surprised batsman.

How to drink and stay sober

One shudders to think what the Campaign for Real Ale will say, but Canada Dry (UK) has just brought to market the ultimate threat to civilised drinking, an alcohol-free lager. The company, a wholly-owned subsidiary of Bass Brewing, says the new drink, called Barbican, has been under development since 1972.

It has already been introduced in the Midlands, and distribution has now been extended to the London area. What Canada Dry is aiming to do is build a completely new sector in the £400m carbonated soft drinks market. But an alcohol-free lager?

According to Bass, Barbican is a fully-fermented lager from which virtually all trace of alcohol has been removed by special distillation. It is said to have a "clean, dry, refreshing taste." In fact, the distillation process is said to be so severe that this subversive new drink contains less alcohol than some proprietary brands of lime juices.

The ingredients that are left are dealcohollsed beer, glucose, carbon dioxide, stabiliser, colour and flavouring.

It can be bought in licensed and unlicensed premises, and is designed to appeal to the adult palate. "Unlike most soft drinks," says Bass professionally, "Barbican is dry to the taste and is only lightly carbonated."

There are several drinks like Barbican available on the Continent, notably Moussy in Switzerland. In the U.S., where anything goes, drinks manufacturers have been experimenting for some time with a host of new products, from Coca-Cola's high-protein soft drink, called Sampson, which is said to supply a third of daily vitamin and mineral requirements and a tenth of basic protein, to ever-more wondrous inventions such as powdered Irish coffee.

The drinks market in Britain is notably unadventurous, but says it is keeping an eye on export potential, particularly in the Middle East. Barbican faces a very dour struggle in fun-loving Clapham.

Contributors:
Alan Forrest
Trevor Bailey
Michael Thompson-Noel

Economic Diary

MONDAY—House of Commons begins two-day debate on Iran (Temporary Powers) Bill. European Central Bankers meet in Basle for two-day monthly meeting. Central Government transactions (including borrowing requirement) (April). Building pay talks, London. Parliamentarians from 29 nations on both sides of the Iran Curtain meet in Brussels to assess compliance with the 1975 Helsinki agreement on security and co-operation in Europe. Mr. David Howell, Energy Secretary, addresses conference at Wilton Park, Sussex, on Politics and Economics of Energy, Natural Resources.

TUESDAY — EEC Energy Ministers meet, Brussels. Building Societies' monthly figures (April). Hire purchase and other instalment credit business (March). Retail sales (March—final). Coal and Energy Conference, London Press Centre, EC4—speakers include Sir Derek Ezra, National Coal Board chairman, and Mr. John Moore, Parliamentary Under Secretary for Energy.

WEDNESDAY—Trades Union Congress planned Day of Action. House of Lords debates appointment of British Steel Corporation chairman. Indices of average earnings (March). Indices of basic rates of wages (April). Mr. Norman Fowler, Minister of Transport, addresses annual luncheon of Asphalt and Tarmacadam Association, Cafe Royal, London. Official opening of new Zimbabwe Parliament.

THURSDAY — House of Commons debates appointment of British Steel Corporation chairman. UK banks' assets and liabilities and the money stock (mid-April). London dollar and sterling certificates of deposits (mid-April). Lord Carrington, Foreign Secretary, attending 25th Austrian Anniversary, iVenna. Chancellor Helmut Schmidt of West Germany begins two-day visit to Rome for talks with Premier Francesco Cossiga.

FRIDAY—House of Commons debates BL corporate plan. Balance of payments current account and overseas trade figures (April). Retail prices index (April). Tax and price index (April). Usable steel production (April). Mr. Edmund Muskie, new U.S. Secretary of State, in talks with Mr. Andrei Gromyko, USSR Minister of Foreign Affairs, Vienna.

Burrell deeper into the red but 1980 shows improvement

CONTINUING depressed trading conditions and margins have brought deeper losses for Burrell and Company, the chemical pigment manufacturer. After the midway turnround from profits of £86,000 to losses of £224,000, the deficit for the whole of 1979 amounted to £778,290 before tax, against £185,506 last time.

The benefits of substantial reorganisation measures are already apparent in greatly reduced losses in the first quarter of 1980, says Mr. Michael Ashworth, chairman, and the group is expected to break even in the second quarter.

But in the circumstances, the directors are able to recommend only a nominal dividend of 0.1p for the year, the same as for 1978.

Turnover rose slightly in the year to £9.94m (£9.46m), of which £3.37m (£3.11m) were exports.

There was a profit at the trading level of £117,427 (£344,319), but depreciation took £350,064 (£296,036) and interest jumped from £196,415 to £405,518.

The deficit also included an exchange loss of £26,907 (£3,626 gain), redundancy costs this time of £95,647, compensation to a director for loss of office of £18,000 (£41,000) and a share of the associate's profits of £719.

After a tax credit of £249,037 (£130,280) and extraordinary credit of £63,734 (£118,764 debit) there is an attributable loss of £465,519 (£173,990). Dividends absorb £35,840 (£34,825).

The stated loss per 5p share is up from 0.22p to 1.94p.

● comment

Burrell's continuing plunge into the red in due in part to higher interest charges but more particularly to the continuing difficulty of competing with the aggressive pricing of major German chemical companies in the pigment business. The softness of the D-mark against sterling has made things even more difficult and Burrell obviously sees no near-term reprieve. Last year, it shed 55 of its 481 employees and by April 1, it had laid off another 78. For the most part, redundancy charges were taken last year, *but another £20,000 will come* off the current year. After a slight loss in the first quarter, the company expects to break even in the second quarter but makes no predictions beyond that point. The shares have halved to 6¼p over the last year and it must be a moot point what Croda, holding 8 per cent of the equity, is making of this seemingly endless retreat.

FIRST QUARTER OIL RESULTS

Ultramar leaps to £31m and sees excellent year

TAXABLE PROFITS of Ultramar Group, the petroleum exploration and development concern, soared to £31.5m for the first quarter of 1980, against £12.2m last time. Sales rose by £23m to £223.8m.

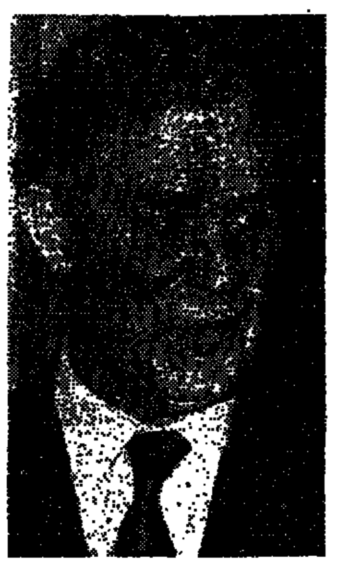
Mr. Campbell Nelson, chairman, says there are some uncertainties for the rest of the year but he expects the results for 1980 to be excellent—the pre-tax surplus j umped to £75.4m (£37.7m) last year.

The first quarter results were achieved despite a drop in group oil sales from 280,900 to 203,600 barrels per day. Refinery runs were also lower.

The lower sales volume primarily reflects the reduced volume of crude oil available to the group and its deliberate policy of cutting back in the types of business which do not give adequate returns, the chairman explains.

Nearly 40 per cent of first quarter profits came from Indonesian operations where the Badak LNG plant continues to operate at throughpuh rates considerably above design capacity. The producing divisions in Western Canada and the North Sea were also profitable, and refining and marketing operations did well overall.

However, the financial return on the large Eastern Canada investment, although improved, is still not satisfactory. The directors expect to decide soon on whether to improve the Quebec refinery by adding equipment providing more light products and less heavy fuel oil.



Mr. Campbell Nelson, Ultramar chairman to retire retire this year

The group's strong cash position was used during the period to prepay some £34m of long-term debt and thereby reduce interest costs. Long-term loans were down from £85.1m to £44.1m at March 31.

The capital expenditure for the rest of the year will be concentrated on exploration and development in Indonesia, the North Sea, and Western Canada. Ultramar will be participating with several groups to apply for blocks in the forthcoming seventh round of North Sea licence applications.

First-quarter earnings per 25p share are shown well ahead at 41.8p (19.6p) basic, and at 37.2 (17.4p) fully diluted. Tax took £12.4m against £5.4m.

There were exchange gains of £0.7m (£2.3m) which relate almost entirely to long-term loans *of individual companies* repayable over the years to 1993.

Cash flow from operations improved to £23.9m (£11m). Working capital, which fell by £16.6m (£0.5m) during the period, totalled £37.7m (£20.3m) at March 31.

Mr. Nelson said yesterday that he will step down as chairman at the end of 1980. He will be succeeded by Mr. Arnold Lorbeer, who is chairman of American Ultramar. Lord Remnant, the managing director of Touche Remnant and Co. and a board member of Ultramar, will become deputy chairman under Mr. Lorbeer. Mr. Nelson cited his age as the main reason for retiring. He is 70.

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BIDS AND DEALS

Siebens and Dow in £15m North Sea oil venture

BY ALAN FRIEDMAN

SIEBENS OIL AND GAS, the independent exploration company, is to receive up to £15m from Dow Chemical, the U.S. group, in a loan-and-grant package which will establish the two as partners in North Sea Oil development.

Siebens, which has a 4 per cent stake in the Brae Field, is to receive up to £5m from Dow in order to explore other North Sea properties in which it has an interest. It will also obtain up to £10m at favourable rates from Dow, to be used primarily in bidding for the Seventh Round of oil block licences.

Dow will be eligible to profit from joint North Sea developments in proportion to the size of its financial contributions. The £10m loan will be recoverable to the extent of 25 per cent of Siebens' net proceeds from Brae. Production is expected to start in 1983.

Mr. Norman Shepherd, a director of Siebens, said yesterday that the group looked forward to participating with Dow Chemical in the joint ventures: "We believe that their financial assistance will be a benefit to our oil exploration activities."

Siebens also announced yesterday that it is changing its name to Sovereign Oil and Gas and that each of the company's 10m authorised ordinary shares of £1 would be sub-divided into four ordinary shares of 25p each.

This would be done in order to make the shares more attractive to the market, according to Mr. Shepherd. Dow Chemical will not, however, become a shareholder in Siebens.

Marathon Oil, the U.S. based company, which holds 30 per cent of Siebens, announced last month that it had found significant potential reserves in block 16/3a in the North Sea. Siebens has a 4 per cent holding in this field.

Siebens share price fell 25p to 815p yesterday after reaching 850p. *But they are still 55p up* on the week.

Pilkington forced to pay £28m more for stake in Flachglas

Following a change in German law on cross holdings, Pilkington Brothers has been forced to pay £28m more in respect of its acuisition of a large part of the glass making operations of BSN-Gervais Danone of France.

Pilkington last month received consent from the German Cartel Office to buy a 54.84 per cent stake in Flachglas from BSN in a cash and shares deal worth some £113m.

BSN's holding in Flachglas is not entirely direct. BSN has a 12 per cent direct holding and a 57 per cent stake in Dahlbusch (a property investment company) which in turn has a 60 per cent interest in Flachglas. In addition, Flachglas has a 25 per cent holding in Dahlbusch.

Under the new German law Flachglas must dispose of its holding in Dahlbusch. The acquisition of this interest by Pilkington for DM 110m (£28m) will result in its interest in Dahlbusch going up from 56.48 per cent to 81.48 per cent and its interest in Flachglas, direct and indirect, rising from 54.84 per cent to 61.67 per cent.

The net assets of Flachglas, at December 31, 1978, corresponding to the 61.67 per cent interest being acuired, amounted to some £54m. In addition, Pilkington will have an attributable interest of some £18m in the gross proceeds of the sale of the Flachglas holding in Dahlbusch to Pilkington.

A pro-forma balance sheet as at March 31, 1979, reflecting the acquisitions shows:—Fixed assets £460.2m (£385.6m for the group *as published*), current assets £378.3m (£335.9m), current liabilities £247.3m (£181.2m). Goodwill is shown at £70.6m. Pilkington believes that the application of its accounting policies, including the revaluation of assets, will greatly reduce the goodwill arising on consolidation acquisition.

Weeks Associates profits dive but dividend higher

HEAVY TRADING losses at a major subsidiary combined with a steep rise in interest charges to leave pre-tax profits of Weeks *Associates down* at £42,000 in the year to January 27, 1980, compared with £455,000 last time.

But the dividend is lifted from 1.46379p to 1.608p with a final of 0.908p, as forecast at the time of last year's rights issue.

The weak demand referred to by the directors at midway, when profits were down from £285,111 to £29,623, continued in the second half, and Hunton International, a subsidiary which has now been reorganised, incurred a trading deficit of £268,141 for the year. Without vital exports, Weeks Trailers also operated at a loss.

However, performance of the newly-acquired Rubber and Allied Products was well up to expectations. E. J. Tong and Sons (Engineering) also had an excellent year, and M.E. Mechanical Handling's results were in line with budget.

Prospects for agricultural equipment remain gloomy, say the directors, and without a dramatic reduction in interest rates they cannot foresee any improvement in UK demand for the old group's products. The interest charge this time jumped from £159,000 to £397,000. Overseas, they add, political tension and strong sterling threaten exports.

The group will have the benefit *in the current year of a full 12* months' trading from R.A.P., the proceeds from the sale of two factories and will no longer have to bear the costs of reorganisation at Hunton, which is now breaking even.

The mechanical handling side *is being affected* by BSC closures, however, and Tong is experiencing poor demand. Weeks Trailers is enjoying a revival in exports although home demand is flat.

Turnover of the group rose from £8.97m to £10.76m and *earnings are shown as 0.4p (6.1p)* per 10p share. The Hunton reorganisation has resulted in an extraordinary debit of £35,000 (nil).

Tricentrol surges to £11.7m

A JUMP in the UK oil and gas exploration and production profit of over £7m to £9.25 has pushed taxable profits of Tricentrol from £3.2m to £11.73m for the first quarter of 1980. Oil and gas *profit from the North* America side increased from £797,000 to £1.25m.

For the whole of 1979 profits reached £21.27m (£8m).

Group turnover for the three months expanded by £20.5m to £66.1m.

Basic earnings per 25p share are shown as 8.9p against 4.1p, and 8.6p (3.9p) fully diluted.

Included in results are figures from Cableform Group, with effect from acquisition on January 15, amounting to a £1.88m turnover and £333,000 profit.

Thistle Field production amounted to 9.95m (7.58m) barrels, the group's share being 960,042 (731,971). Liftings during the period were 944,997 barrels giving a cash income of £14.96m.

In Canada, Tricentrol participated in 26 drilling ventures resulting in three oil wells, 15 gas wells and eight dry holes. Eight new projects have been initiated resulting in new holdings of about 5,000 net acres.

	First Quarter 1980 £000	1979 £000
Turnover	66,097	45,567
UK oil and gas	15,725	6,170
UK oil trading	41	—
Canadian oil and gas	1,533	1,362
U.S. oil and gas	1,525	1,016
UK automotive	31,332	25,532
UK trading	10,963	8,972
UK travel	376	—
Cableform	1,876	—
European trading	2,021	1,629
Australia	124	124
Canada	580	478
Trading profit	11,389	3,480
UK oil and gas	9,211	2,047
UK oil trading	37	—
Canadian oil and gas	459	376
U.S. oil and gas	790	421
UK automotive	494	883
UK trading	181	72
UK travel loss	59	23
Cableform	333	—
European trading loss	71	300
Australia	2	5
Canada	22	*1
Central costs	236	181
Interest payable	242	181
Interest receivable	816	79
Pre-tax profit	11,727	3,197
Tax†	6,902	1,501
Net profit	4,825	1,696

* Loss. † Deferred.

A land bank consisting of some 65,000 net acres has been acquired for $3.5m in the U.S., and will enable the group, the directors state, to undertake an aggressie drilling programme in several productie basins on terms and with partners of its own choosing.

In the UK, automotive division results were substantially worse despite record new vehicle registrations. On the trading side, profits were higher and included results of recently-acquired R. and G. Cuthbert—purchased for nearly £6m cash on March 20—for the remaining days of the quarter.

Regarding the management agreements between Tricentrol and Opman International, the directors state that following negotiations new terms have been agreed on whereby, from May 1, 1980, Opman will no longer manage the group's oil and gas operations. Management will become the responsibility of the directors of the regional operating companies concerned.

With effect from April 30, fees to Opman will cease although the benefits of all royalties and working interests already earned will continue. Option on 1.25m Tricentrol shares will continue to June 30, 1982.

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Lyle Shipping in £1.5m deal with Hogarth

Lyle Shipping Company is planning to restructure its joint interests with Hogarth Shipping Company which owns just under 30 per cent of Lyle.

Under the deal, which will need to be approved by shareholders because it relates to connected companies, Lyle will buy out the 50 per cent holding in Scottish Ship Management owned by Hogarth. Lyle already owns the other 50 per cent.

The price has been set at £1.45m or a mixture of Lyle ordinary and A shares. Because Hogarth does not want to trigger off a full bid for Lyle it intends to place all the shares it will receive above those which will maintain its holding at just below the 30 per cent mark.

In all other respects the relationship between the companies remains unchanged. Hogarth will continue its present shipping activities under the management of Scottish Ship Management.

The management company's profits are already consolidated as an associate in Lyle's accounts. Last year it made £883,000 pre-tax and this year it is budgeted to exceed £1.75m. Lyle's group profits last year were £3.39m.

SHARE STAKES

Comben Group — T. R. Roydon, director, has bought 50,000 shares at 26p, increasing his holding to 459,610.

British Land Company — J. H. Ritblat, chairman, has disposed of £175,000 15 per cent the whole of the issued share capital of Slough Canada with the exception of 36,064 shares virtually all of which are held by employees and representing less than 1 per cent of the issued share capital.

first mortgage debenture stock 1987 at £99.5 per cent.

A. G. Stanley Holdings — Berger Jenson and Nicholson has bought 25,000 shares making holding 3,031,267 shares (11.988 per cent).

Samuel Properties — N. A. Samuel, director, sold 100,000 shares at 125p on May 6, beneficial interest now 550,188 shares registered under nominee—Alliance Assurance Company, account 27H.

Maple and Co. — Fielding Newson-Smith and Co., brokers to Waring and Gillow, yesterday bought on their behalf 100,000 shares at 35½p.

Automotive Products — Emmott Foundation has bought a further 30,000 shares. E. G. Barratt, M. Keeble and J. B. Emmott, directors, are also directors of Emmott.

Babcock International — Sir John L. King, director, has disposed of 25,000 shares at 97p and 25,000 at 98p leaving holding 1,050,000 shares (0.966 per cent).

EMRAY

Emray has expanded its financial services arm by the formation of Chandler Wood (Insurance Brokers), which has acquired the businesses of two well-established insurance brokers—David Wood (Insurance Broker) and Chandler Wood and Partners—for £60,000 payable in two stages.

TAMPAX

Directors of Tampax Limited say that discussions are taking place which may lead to an offer being made by Tampax Incorporated for the shares in the company not already owned.

IMI/ICI

IMI has paid an undisclosed cash sum for the 49 per cent interest in IMI Australia held by ICI Australia. IMI Australia, which is mainly engaged in metals, engineering, building products and sporting goods, had 1979 sales of £12m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Altifund	8.5¶	July 11	6.7	12.5	10
Brixton Estate	1.46¶	July 26	0.77*	2.91	1.94*
Burrell and Co.	0.1	July 2	0.1	0.1	0.1
Comm'l Bk. Near East	27.5	June 3	27.5	27.5	27.5
John Crowther	0.76	June 26	0.73	0.76	0.73
Cullen's Stores 2nd int.	0.7	June 6	0.67	—	4.34
Garnar Scotblair	3.85	July 4	3	6.25	5
GR (Holdings) int.	1.6	July 3	1.4	—	6.4
1928 Inv. Tst.	2.35‡	July 3	2.08	3.85‡	3.33
Richards int.	0.3	May 31	0.3	—	1.45
Ulster TV int.	2.6	July 8	2.2	—§	4.8
Usher-Walker	2.78	July 3	2.33	4.07	3.61
Vaux Brews. int.	2.21	July 10	1.84	—	6.04
Weeks Associates	0.91	—	0.86	1.61	1.46

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus non-recurring dividend of 0.6p. § Final payment not less than interim forecast. ¶ Restated following transposition in Friday's table.

Receiver appointed at Southern Constructions

A RECEIVER has been appointed to Southern Constructions (Holdings), civil engineer and plant and lorry hirer, which operates in the south and west of England.

Southern, which had its listing suspended at 4p yesterday, has asked the National Westminster Bank to appoint a receiver following the bank's refusal to extend facilities, requested by the company, to enable the continuation of its business.

Southern, which came to the market in 1956, ran into losses totalling £1.75m in 1977 and 1978 and is now forecasting a deficit of £800,000 for 1979.

In 1977 the group was hit by losses on low margin business undertaken to maintain turnover in a market made highly competitive by cutbacks in public expenditure. A recovery to a small profit was achieved in the first half of 1978 but by the year end the group was back into loss again.

The current year was expected to show the benefit of strengthened management, reduced overheads and the elimination of unnecessary activities. In the event the first half of 1979 showed a loss of £398,000.

In 1976 the group's profits had to be written down by 60 per cent following the discovery of three separate accounting errors. The auditors and the finance director resigned and the entire board was reconstituted.

Crowther runs into losses

Difficult trading conditions in the fabric and garment fields, together with record interest *rates, hit* John Crowther Group in the second half, and the woollen textile manufacturer incurred a pre-tax loss of £286,851 for the 1979 year, compared with a profit of £37,217 previously.

Fullyear loss was struck after interest of £297,448 (£196,222) and depreciation, £141,602 (£136,200).

The directors say the current year is in accordance with their projections which reflect the prevailing economic conditions.

The severe curtailment of orders in 1979 led to a cut-back *in production*, with the heavy attendant costs. Following the decision to reduce substantially the group's weaving capacity, equipment was sold for about £720,000—the surplus over book value will be some £370,000.

The net dividend for the year is 0.76p (0.73p). Losses per 25p share are given as 8.61p (0.38p earnings) on a net basis, and as 8.26p (0.74p earnings) on a nil distribution basis.

CUMULUS

Excluding losses of £15,868 attributable to two subsidiaries, *after-tax revenue of* the Cumulous Investment Trust declined, from £23,800 to £18,223 in the six months ended March 31, 1980.

Earnings per 25p share are shown as 0.35p (4.45p)

CAPSEALS BUYING SMURFITT OFFSHOOT

CAPSEALS is acquiring for about £700,000 cash part of the Waterproof Paper business of James Barnes, a subsidiary of Jefferson Smurfit Group.

The purchase includes certain items of plant, stocks and goodwill and the exact price will depend upon the value of stocks at completion.

Until the effective date of the acquisition, Barnes will continue to manufacture its present range of products. Following completion, the acquired business will be integrated with that of Packaging Products, the Manchester-based subsidiary of Capseals and the acquisition will strengthen Packaging Products' position in the waterproof paper market.

For Smurfitt, the disposal of this part of their business will enable Barnes to concentrate further on their development of hot metal coated and laminated *substrates nad also gummed* papers.

SLOUGH ESTATES

A further 184,131 Slough Estates shares of 25p have been isused in exchange for 57,542 shares in Slough Estates Canada. The holders of 795 Slough Canada shares have agreed to exchange the same for 2,544 Slough Estates shares to be issued on completion of legal formalities.

Slough Estates has now acquired or agreed to acquire

Dutch portfolio acquired by Paneuropean Property

Paneuropean Property Unit Trust has acquired a retail property portfolio in Holland from a Dutch investment company in a deal believed to be DF 15m (£3.3m).

The portfolio consists of six prime properties, all in well established retail positions let to major covenants. It produces a current total income of DF 900,000 per annum with several early reversions.

The properties are situated in Kalverstraat with Nieuwendijk, Amsterdam; Spuistraat and Hoogstraat the Hague; Statenplein, Dordrecht and Kerkstraat, Hilversum. In addition a number of other major acquisitions are in the pipeline for the trust, which is keen to increase its investment portfolio in Europe by acquiring further properties.

SHERATON

Sheraton Securities International, now 77 per cent owned by two directors who have bid for the rest, made a pre-tax loss last year of £6,100 against a profit in 1978 of £3,960.

After tax credits, however, this is reduced to £2,750 at the net level compared with a £3,910 profit the previous year. This brings the accumulated loss to £765,970. Its bank overdraft was £153,570 on April 21.

The annual report, sent out yesterday with the formal offer document, said there were tax losses estimated at £180,000 to set off against future trading profits. The holding company also had capital losses of £115,000 to put against future capital gains.

The two bidding directors, Mr. C. R. Freemantle and Mr. N. N. Tucker, have offered 0.84p a share for the outstanding equity under the terms of the Takeover Code.

Sheraton's chairman, Mr. D. M. Makepeace, said in the document that the independent directors did not feel able to recommend acceptance of the offer, since the purchasers intended to continue and expand the business. One board member, Mr. E. Trembath, will resign on the offer's closing date, May 23. Sheraton's share listing was cancelled more than four years ago.

Results due next week

Tuesday's interim figures from Ranks Hovis McDougall are expected to show pre-tax profits of some £21m, against last year's £14.4m. The freedom from both haulage and bread strikes this time round helps the half-on-half comparison ahead, together with the demise of the Price Commission, which showed through in last year's stronger-than-expected second half. Bakeries should show particular *improvement. Analysts are beginning* to feel more bullish about RHM after five years in the doldrums, and *full-year* profits are forecast around £43m against 1979's £32.6m, with a net dividend totalling 4.2p.

Two more retailers will be reporting year-end figures next week: British Home Stores on Monday and UDS Group the next day. BHS is expected to maintain its steady improvement with profits of £41m pre-tax against £33.58m. Following its move out of the lower margin segment of its food operations, the group's results have been further aided by its continued expansion into the lighting field and decorative housewares. British Homes has also maintained a good-sized import quota—allowing it to keep prices down. Analysts predict a final net dividend of about 5p, making 8.5p for the year against 7p last year.

UDS should present quite a different picture. The City is expecting little growth, with pre-*tax profits at £28m, against last* year's £27.8m. The group seems to have found the going much tougher since last year's 45 per cent advance. Last autumn's acquisition of the Van Allen chain has been painful in the short-term although it may yet prove beneficial. The department store chain has been hard hit by the general downturn in the retail sector forcing it to cut prices in many areas. The company is expected to keep to its forecast gross dividend of 8.87p compared to last year's 8.4p.

Unilever's first quarter margins are usually lower than those in the fourth quarter immediately preceeding it. The first quarter 1980 results, due on Monday, are expected to show a larger fall than usual, perhaps to 4.5 per cent from 4.9 per cent.

Profits are being hit by higher interest charges and by slow recovery of Nigerian operations. Operating profit is expected to be close to the first quarter, 1979 results, with sales growing 13 to *18 per cent.*

At the interim, Coats Patons estimated that the rising value of sterling, particularly its 30 per cent gain against the Brazilian cruzeiro, would take £13.8m from 1979 profits. By year-end, the pound had gained another 70 per cent against the cruzeiro and analysts shaved their pre-tax estimates to the £57m-£60m range, down from £71.2m in 1978. With UK markets remaining weak and no favourable currency movement so far, the company is not expected to exude optimism about the current year when it publishes preliminary 1979 results on Tuesday.

The market is prepared for maintained profits when European Ferries announces its preliminary figures on Thursday. Against last year's £25.9m, analysts range from £25.4m to £26m. Things looked slow at the interim stage, when £6.7m was reported against 1978's *£8.5m. But shipping is expected* to have had a stronger second half, with higher profits from duty-free sales. The board forecast a 3p net final at the halfway mark, taking the full-year total to 4.5p against 3.107p, and the trading improvement may leave a little further upward leeway.

Also due next week are preliminary announcements from Berec, interims from Woolworths and Lloyds and Scottish, together with first-quarter figures from Commercial Union, General Assurance, and Royal Insurance.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Bank of Ireland	Wednesday	6.5	11.0†	7.5
Barr & Wallace Arnold Trust	Tuesday	0.66667	2.83333	2.25
Berec Group	Friday	1.2491b	3.5808†	1.4804a
British Home Stores	Monday	3.1	3.9	3.5
British Northrop	Wednesday	—	2.0	—
Bulmer & Lumb	Tuesday	1.5238c	1.9733	1.64711
Carless Capel & Leonard	Wednesday	0.4115	0.6174	1.4826‡
Cater Ryder	Wednesday	4.2987p	14.7794	4.2875
City of Oxford Inv. Trust	Tuesday	1.25	2.6	1.75
Coats Patons	Tuesday	1.32749	2.3417	1.5049d
Deritend Stamping	Wednesday	3.3	7.72	3.3
Doranakande Rubber Estates	Thursday	0.553‖	1.697	0.75
European Ferries	Thursday	1.1272e	1.98	1.5
Folkes (John) Hefo	Thursday	0.4547‡	1.1397	0.5
Foster Bros. Clothing	Thursday	0.7988p	1.71687	—
Foster (John) & Son	Thursday	1.0	1.5	1.0
French Kier Holdings	Monday	0.825	1.1	0.95
Holt Lloyd International	Thursday	3.5	4.245	4.5
Industrial & General Trust	Thursday	0.7	1.45	0.9
King & Shaxson	Monday	1.0362g	2.7862	1.1247h
Kwik Fit (Tyres & Exhausts) Hldgs.	Thursday	0.4	0.521	0.603
Lee Cooper Group	Thursday	0.83333	1.4	1.4
Leech (William)	Thursday	3.0	3.64	3.3
London & Lennox Inv Trust	Tuesday	0.45	1.55	0.55
Macdonald Martin Distillers	Monday	3.0	4.868j	3.0
Mole (M.) & Son	Monday	—	0.4125	—
More O'Ferrall	Monday	0.7742k	2.25	1.5
Newman Industries	Thursday	1.2	3.6	1.5
Parrish (J. T.)	Tuesday	—	4.407	—
Runciman (Walter)	Tuesday	1.25	2.5	1.25
Scottish Northern Inv. Trust	Monday	0.8	1.73333	1.2
Selincourt	Tuesday	0.5116m	0.86	0.7
Tysons (Contractors)	Monday	—	2.1175	—
UDS Group	Tuesday	2.3	3.345	2.6
United Engineering Industries	Thursday	0.9	1.53333	1.35
Walker (C. & W.) Holdings	Friday	1.22222	1.71111	1.35
Whitbread Investment	Thursday	1.6501n	2.9084	1.98
Young Companies Inv. Trust	Monday	1.6	2.6	2.0
INTERIM DIVIDENDS				
Akroyd & Smithers	Monday	5.0	15.0	
Baggeridge Brick	Wednesday	1.25	2.5	
Brown (Matthew)	Tuesday	1.25	3.8264	
Dubilier	Monday	0.5916	0.6784	
Gleeson (M. J.) Contractors	Friday	0.82625	1.5	
Herman Smith	Tuesday	0.23	0.23	
Jenks & Cattell	Wednesday	1.3	2.7	
Jessups (Holdings)	Wednesday	1.0	2.0	
Johnson & Firth Brown	Wednesday	1.3	3.67245	
Lloyds & Scottish	Thursday	1.87	3.4	
Ranks Hovis McDougall	Tuesday	1.452	2.121	
Riley (E. J.)	Monday	1.25	2.25	
	Monday	0.256	0.91087	
Sungei Bahru Rubber Estates	Thursday	0.65	1.6	
United Scientific Holdings	Tuesday	3.3	4.0	
Warner Estate Holdings	Thursday	1.6	3.4	
Warnford Investments	Tuesday	3.27	4.37	4.0
INTERIM FIGURES				
Murray Clydesdale Inv. Trust	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Includes special dividend of 0.6826p ¶ Includes special dividend of 0.0317p. ‖ Includes special dividend of 0.017p.

The following are compensating dividends included to allow for the change in the tax rate: a 0.1604 b 0.0486. c 0.02647. d 0.1049. e 0.027273. f 0.014698. g 0.0362. h 0.1247. j 0.088. k 0.0323. m 0.0116. n 0.0394 p 0.02748. r 0.1947.

RESULTS AND ACCOUNTS IN BRIEF

MARTIN-BLACK (wire ropes)—Results for 1979 with prospects already known. On CCA basis, adjusted pre-tax loss £1.21m (£0.26m) compared with historical £0.45m loss (£0.18m profit). Fixed assets £3.43m (£3.67m), net current assets £2.63m (£3m). Meeting, Coatbridge, May 30, 12.30 pm.

RICHARDS (LEICESTER) (structural and mechanical engineer)—Results for 1979 reported April 16. Chairman says future prospects do not appear to be unpromising. Group fixed assets £1.81m (£1.56m), net current assets £1.51m (£1.5m). Meeting, Leicester, May 29, noon.

MAGNOLIA GROUP (MOULDINGS)—Results for 1979 with prospects already known. Group fixed assets £1.41m (£1.21m), net current assets £2.33m (£1.85m). Shareholders' funds £3.5m (£2.94m). Meeting, Rochford, May 29, noon.

WEBSTERS GROUP (book distribution, publications and printing)—Results for 1979 with prospects already known. Group fixed assets £2.64m (£1.91m), net current assets £1.37m (£1.34m). Working capital decreased £187,000 (£706,000 increase). Meeting, 77, London Wall, EC, May 28, noon.

AIRSPRUNG GROUP (unquoted bed manufacturer)—Results for 1979 reported April 5. Chairman believes company will do well in 1980 to *achieve similar results to last year.* Group fixed assets £2.85m (£2.29m), net current assets £1.48m (£1.42m). Bank overdraft £676,119 (£21,058). Meeting, Trowbridge, May 16, at 2.30 pm.

BICC (cable, wire-making, civil engineering)—Results for 1979 reported April 3 in preliminary statement with prospects. Total net assets £331m (£325.4m)—property, plant and equipment £168.5m (£163.5m); investments £19.9m (£22.6m); net current assets £142.6m (£139.3m). Increase in net bank borrowings £9.1m (£30.6m decrease). On CCA basic historic pre-tax profit of £65.6m (£56.6m) reduced to £19.2m (£21.1m). Meeting, 21, Bloomsbury Street, W.C., May 29, at noon.

H. C. SLINGSBY (Trucks, Ladders)—Pre-tax profits £91,556 (£194,673) for 1979. Tax £80,522 credit (£50,773 charge). Earnings per 25p share 19.79p (18.4p). Dividend 2.4p (same) with 1.8p (same final. Sales £4.14m (£3.79m). Extraordinary debit £58,049 (£22,936). Since year end Slingsby SA in France has been put into liquidation.

LONDON AND PROVINCIAL SHOP CENTRES (HOLDINGS)—Pre-tax profits £234,000 (£232,000) for half-year ended December 25, 1979. Gross rents £2.02m (£602,000). Earnings per 10p share 1.03p (same). Interim dividend 0.5p (0.36421p) net—final of 1.11p forecast to make total of 1.61p (1.295p). Interest charge £697,000 (£296,000). Tax £122,000 (£121,000). Directors estimate full-year profit at £475,000 (£551,000) and gross rental income at £2.25m (£1.42m), increasing to some £2.8m from completed investment properties for 1980-81.

WOLSTENHOLME RINK (bronze and aluminium powders)—Results for 1979 with prospects reported March 26. Group fixed assets £2.57m (£2.27m), net current assets £4.27m (£3.69m). Meeting, Bolton, May 29, noon.

THOMAS MARSHALL AND CO. (maker of carbon and refractory materials)—Results for 1979 with prospects reported April 18. Group fixed assets £2.61m (£2.45m), net current assets £4.74m (£4.87m). Bank overdraft £1.17m (£0.35m). Working capital down £165,700 (up £511,274). Meeting, Sheffield, May 22, noon.

HOLYROOD RUBBER (rubber and oil palm plantations)—Results for 1979 already known. Current assets £282,494 (£264,651), current liabilities £174,727 (£150,562), net assets £801,149 (£590,688). Working capital decreased by £14,074 (£60,582 increase). Ultimate holding company is Harrisons and Crosfield. Meeting, 1-4, Great Tower Street, EC, May 29, 11 am.

KUALA SELANGOR RUBBER COMPANY (ultimate holding company is Harrisons and Crosfield)—Results for 1979 already known. Net assets £144,626 (£143,716). Meeting, 1-4, Great Tower Street, EC, May 29, 12.30 pm.

LUIS GORDON GROUP (*imported and* distributor of sherries, wines, liqueurs and spirits). Results for 1979 reported April 30 in full preliminary statement. Current cost pre-tax profit £269,000 (£180,000) compared with historical £180,000). Group fixed assets £834,000 (£907,000), net current assets £1.79m (£1.36m). Working capital increased by £199,000 (£1.04m). Pedro Domecq *International S.A. is interested* in 52.33 per cent of issued share capital. Meeting, Caxton Hall, SW, May 28, noon.

BRITISH PRINTING CORPORATION—Results for 1979 as known. Fixed assets £38.99m (£35.65m), net current assets £30.11m (£34.71m), working capital increased by £6.4m (£6.8m). Historic pre-tax profit of £4.04m (£7.05m) reduced to £1.15m (£4.65m) on CCA basis. Meeting, Chartered Insurance Institute, EC, May 27, at noon.

ROWNTREE MACKINTOSH (IRELAND)—Results for 1979: Turnover Ir£ 27.67m (£26.1m); pre-tax profits £604,361 (£597,733); tax £47,710 (£71,950). Dividends absorb £2,888 (£2,887).

CURRYS (Electrical retailer)—Results for year to January 23, 1980, reported on April 15. Current assets £72.89m (£61.75m), current liabilities £39.42m (£32.12m), increase in working capital £3.63m (£4.38m). Meeting, Ealing, W., June 2 at 12.30 pm.

NORTH MIDLAND CONSTRUCTION COMPANY (civil engineer and public works contractor)—Results for half-year to February 29, 1980: Turnover £3,427,941 (£2,282,449), pre-tax profit £203,152 (£52,373); tax £54,849 (£27,234). Stated earnings per 10p share 9.5p (1.6p); interim dividend 0.85p (0.45p).

FIVE OAKS INVESTMENTS—Results for half-year to December 31, 1979. Turnover £133,380 (£216,22.); group trading loss £10,450 (£27,170 profit); net rental income £45,557 (£33,340); interest payable £34,625 (£29,576); profit after tax £482 (£30,934); extraordinary credit (surplus on sale of investment properties and costs in respect of an egm) £57,155 (nil); attributable profit £57,637 (£30,934). Loss per 25p share 0.08p (0.64p earnings). Directors anticipate a satisfactory result for year to June 30, 1980. They are unable, at this stage, to recommend a dividend.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Standard Brands, the U.S. foods group, made an agreed $530m cash and shares tender offer for **Liggett**, the U.S. tobacco and drinks concern, thus topping a $415m bid announced last month by **Grand Metropolitan**. At the same time, Liggett announced that it had concluded the sale of its Austin Nichols Distillery subsidiary to Pernod Ricard of France for $97.5m cash. The rival bid for Liggett comes after Grand Met succeeded in getting the last U.S. state court ban on its tender offer lifted and had won a court order which would have barred Liggett from selling off Paddington Corporation, which distributes Grand Met's J and B whisky in the U.S.

Property millionaire **Lord Rayne** is transferring control of his business empire from private companies to **Westpool**, a small quoted investment trust. **S. Pearson** is also involved in the transaction as the two sides are linked through **Millrayne**, a private company which has a near-40 per cent stake in Lord Rayne's chief company, London andMerchan t Securities. By selling half the 22m shares it will receive under the Westpool transaction, Pearson will realise a profit of over £14m. The attraction of the deal for boht sides is the switch from an investment in a private company to one in a quoted concern with more marketable securities.

T. Cowie, the Sunderland-based motor dealer, is considering making an offer for the 70 per cent of **George Ewer** that it does not already own. The offer is intended to comprise a mixture of cash and convertible preference shares in Cowie, with a cash alternative. Confirmation of the bid depends on clarification of the position regarding Ewer's proposed £1.32m acquisition of Eastern Tractors which Cowie considers is not in the best interests of Ewer shareholders.

Unigaet' bid for **Clifford's Dairies**, conditional on the latter not-proceeding with a rights issue, lapsed following Clifford's shareholders' vote in favour of going ahead with the £1.5m issue.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Assam Inv.¶¶	150*§	148	118	4.23	Inchcape	19/5
Barget	12*‡	16	11	8.56	Tinnox	—
Bishopsgate Prop.	5*§	5	5††	0.36	Bkly. Hambro	—
Bowring (C. T.)	166½§§	154	141	182.3	Marsh and McLennan	—
City & Intl. Tst.	138	127	126††	18.79	Guthrie	—
Cray Elect.	31*§	36	35††	0.93	Thrgmrtn. Tst	—
Dolol Tea	270*	275	215	0.29	Tategold	—
Gibbs (A.)	85*§	81	82	9.80	HK & Shanghai Bank	—
Hoffnung (S.)¶¶	88*	87	74½	15.51	Burns Philp	—
Lidstone	280*	340	290	0.51	Greewalk Nominees	19/5
Lond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple	35½§§	36	27½	9.90	Waring & Gillow	21/5
Nationwide Leisure	6*§	6½	9	0.66	Rantlodge	—
Paradise (B.)	10*	14	24††	0.05	Pullmn. (R.J.)	—
Status Discount	60	50	69††	24.8	MFI	—
Turner (W. & E.)	57½*	84	48††	9.07	J. Hepworth	—
Viking Oil	300*†	£14	810	—	Deminex	—
Viking Oil	625*†	£14	910††	—	Sun Co.	—
Viking Oil	450*†	£14	£10	—	Hunt. Int. Petroleum	—
Wilson Bros.	37§§	34½	21	3.17	Fine Art Devs.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 9/5/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ☆ Plus royalties.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
British Sugar	Mar.	9,800	(10,190)			2.75	(1.82)
Cooper (Fredrk.)	Dec.	341	(292)			0.5	(0.33)
Costain Group	Dec.	47,650	(46,940)	40.0	(31.7)	9.0	(3.05)
Davenport Brwy.	Mar.	586	(507)			1.1	(0.88)
Feedex Agricul.	Dec.	832	(1,041)	4.4	(4.4)	1.54	(1.23)
Geers Gross	Dec.	827	(411)	7.7	(3.6)	3.0	(3.0)
Hall (Matthew)	Dec.	7,570	(7,170)	22.7	(22.3)	7.11	(5.91)
Hawkins & Tipson	Feb.	358	(127)			—	(1.0)
Higsons Brwy.	Mar.	613	(138)			0.4	(0.4)
Laing (John)	Dec.	11,270	(14,760)	14.2	(16.2)	2.88	(2.5)
Mallinson-Denny	Dec.	9,190	(10,040)	17.4	(15.2)	3.75	(3.12)
Marks & Spencer	Mar.	173,650	(161,550)	7.2	(6.6)	3.4	(2.61)
Marshalls Univ.	Dec.	2,590	(4,020)	10.5	(23.7)	5.84	(4.76)
Milletts Leisure	Jan.	1,600	(1,260)	27.7	(21.0)	6.95	(3.32)
Mothercare	Mar.	22,280	(15,800)	17.2	(11.8)	5.0	(3.39)
P & O	Dec.	38,720	(18,490)	17.6	(5.2)	7.0	(6.54)
Pearce (C. H.)	Nov.	905	(474)			2.5	(1.45)
Bellway	Jan.	1,840	(1,740)				(3.0)
R. H. P.	Mar.	5,940	(2,200)			2.0	(1.44)
Ryl. Bk. Scotland	Mar.	51,750	(41,080)			2.2	(1.52)
Samuelson Film	Sept.	268	(606)			—	(3.0)
Salnsbury (J.)	Mar.	43,820	(32,600)	42.2	(31.8)	10.25	(7.12)
Sears Holdings	Jan.	92,780	(92,040)	7.0	(5.9)	2.0	(1.44)
Serck	Mar.	1,200	(500)			1.2	(2.2)
Smith & Nephew	Mar.	5,130‡	(4,980)‡			—	(—)
Triceville	Jan.	501	(415)			0.85	(0.68)
Wood Hall Tst.	Dec.	5,050	(2,740)			—	(—)

Scrip Issues

Brixton Estate: one for five.
Frederick Cooper (Holdings): one for three.
Sandhurst Marketing: one for three.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)				Interim dividends* per share (p)	
Argus Press	Dec.	3,890	(2,520)	57.9	(35.9)	37.0	(22.0)
British Enkalon	Dec.	2,150L	(250)L	—	(—)	—	(—)
Brixton Estate	Dec.	2,323	(1,926)	5.1	(3.9)	2.91	(1.94)
C.M.T.	Jan.	1,140	(852)			1.65	(1.65)
Devenish (J. A.)	Mar.	219	(143)			2.25	(2.13)
Gomme Holdings	Jan.	1,260	(765)			0.89	(0.89)
Hawtin	Jan.	1,180	(1,021)	3.0	(2.3)	0.25	(0.25)
Hoveringham Gp.	Dec.	3,810	(4,860)	11.9	(12.2)	2.79	(2.32)
Laird Group	Dec.	10,730	(11,120)	15.2	(13.9)	3.4	(2.71)
LK Industrial	Dec.	15L	(201)	—	(5.7)	1.5	(2.9)
Moss Bros.	Jan.	428	(409)	7.7	(11.4)	3.31	(3.01)
Moss Engineering	Feb.	341	(356)			2.1	(2.01)
Porter Chadburn	Jan.	674	(1,120)	17.7	(25.8)	6.15	(5.89)
Sandhurst Mktg.	Jan.	507	(200)†	13.0	(5.4)†	2.34	(0.68)†
Seccombe M'rsh'll	Apr.	228	(227)	16.3	(16.2)	16.0	(14.9)
Slingsby (H. C.)	Dec.	92	(195)	19.8	(18.4)	2.4	(2.4)
Talbex Group	Jan.	58	(206)L			—	(—)
Wellco Holdings	Dec.	336	(365)			0.4	(0.4)
Whessoe	Mar.	44	(981)			—	(2.17)

Hawley Leisure: Rights issue on the basis of one for six at 40p a share to raise £1.1m.

† Appropriate figure before expenses.

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † For seven months to January 31, 1979. ‡ First quarter. ¶ Balance for year after transfer from reserves for contingencies (after tax and transfer to reserve for contingencies).

Richards falls to £0.17m so far

Turnover of Richards, textile group, improved slightly from £5.9m to £6.23m for the six months ended March 31, 1980, but the taxable surplus was down at £170,000 against £285,000.

Mr. A. R. Robertson, chairman, says that an element of redundancy costs affected results, but the most serious problem is the continued closure of the company's dyehouse, which is not expected to be back in production for some months.

However, he adds: "Our cash position remains sound, and the dividend for the year will certainly be maintained"—the interim payment is unchanged at 0.3p net per 10p share, last year's final being 1.15p.

Six months tax takes £73,000 (£148,000) leaving net profits at £97,000 (£137,000), or 0.8p (1.13p) per share.

Mr. Robertson states that during the past six months the industrial canvas and fire hose divisions have been sold. The transfer of the plant will be completed by the end of the current year, after which the expansion of the group's other activities will, he says, more than compensate for any loss of revenue.

For the 1978-79 year pre-tax profits were £805,000 from turnover of £12.29m.

Ulster TV well down at £0.26m

THE ITV dispute hit Ulster Television in the half-year to January 31, 1980, and pre-tax profits fell sharply from £434,000 to £255,000, on turnover of £2.76m, against £2.94m.

Investment income, included in the taxable surplus, was lower at £63,000 (£91,000) largely because of decreased cash flow caused by the dispute.

Mr. J. L. MacQuity, chairman, says the strike "resulted in a settlement which will add around £1m a year in salaries alone to cut running costs."

There is some pessimism about the level of advertising over the next year or so and there are already signs of a drop in real terms, he adds.

The net interim dividend is raised from 2.2p to 2.6p, and the directors expect the final will not be less than the current payment. Last year a total of 4.8p was paid from profits of £583,384.

Tax took £138,000 (£226,000) in the half year, leaving the net balance at £117,000, against £208,000.

The chairman says retained profits continue to be reinvested in television, especially in local programmes, with a proportion either left liquid or invested in readily realisable securities.

A high level of liquidity is desirable in view of the creative and financial requirements of the new channel. On this, he says the additional costs will be heavy and forward order estimates show a loss for the 1982 calendar year.

First half advance for G.R. (Hldgs)

Taxable profits of G.R. (Holdings) went ahead from £1.37m to £1.51m in the first half to December 31, 1979, on turnover of £14.17m against £12.86m.

The interim dividend is raised to 1.6p (1.4p)—last year's final was 5p, paid from profits of £3.07m.

After tax of £790,000 (£720,000) and minorities the attributable surplus is £698,360 (£629,379). Preference and ordinary dividends absorb £148,569 (£125,363).

Activities of the group include the processing and merchanting on sheepskins and furs, and the manufacture and sale of garments and other products made from sheepskin, suede and leather. It also operates Grayshott Hall, a health and relaxation centre.

DISTRIMEX ORDER RESCINDED

A compulsory winding up order made against Distrimex on March 31 was rescinded by Mr. Justice Vinelott in the High Court. By consent, the petition was dismissed.

CORAL INDEX: Close 431-436 (−2)

Vaux slightly ahead at interim stage

DESPITE an increase in finance charges from £529,000 to £756,000, taxable profits of Vaux Breweries were ahead slightly at £2.73m for the 24 weeks ended March 15, 1980, compared with £2.69m.

Turnover, up by £2.6m to £40.8m, and trading profits of £3.48m (£3.22m), included 20 (24) weeks results of Lorimer's Breweries — sold to Ind Coope Scotland, a subsidiary of Allied Breweries with effect from February 16 — amounting to £8.85m (£10.35m) and £363,000 (£347,000) respectively.

Mr. Paul Nicholson, chairman, states that the saving in finance charges, in the second half, will more than compensate for the loss of Lorimer's profits, and that full-year's pre-tax profits should show an increase over the £8.26m for 1978/79.

Tax for the first half takes £708,000 (£725,000) leaving a net profit of £2.02m against £1.96m.

The interim dividend is increased to 2.212p (1.8425p) net per 25p share costing £711,000 (£583,000) — last years final payment was 4.2p.

Beer sales in England were just ahead of last year, Mr. Nicholson says, but hotel sales were flat, and directors are forecasting an easing of demand for both these areas of the business.

However, they are confident that longer term prospects are bright and that when current investment plans are completed, the group will be in a strong position to take advantage of an upturn in the economy.

● comment

Lorimers was making a scant contribution to Vaux's earnings last year and its trading surplus was marginally down in the 20 weeks before the sale to Allied. It seems, then, that it will not be difficult to compensate for the loss of the Scottish profits in the second six months and the group should be able to halve last year's interest bill. That might leave annual profits at £9m pre-tax with adequate resources to complete the two-year brewery and pub modernisation programme, coupled with an opportunity to expand the spread of the tied estate. The reduced interest charge will provide a useful filip in what otherwise would have been a flat year. Hotel sales were on a plateau as was beer volume and the outlook is dull. The shares, down 1p yesterday to 151p, have barely moved since the sale announcement in February but the prospective p/e of 10.9 does not look too far out of line with the more successful regionals even if the trading benefits of the disposal and capital investment effort may not be seen this year. Taking dividends over the past 12 months, the yield of 6.2 per cent is just about adequate.

F. Sumner Engrg. in loss

For 1979, Francis Sumner Engineering, which manufactures metal smallwares, garden furniture, and electric heaters, incurred a pre-tax loss of £145,855, compared with a £74,914 profit. Turnover rose slightly from £2.02m to £2.22m.

There was a tax credit of £88,668 (£39,333 charge) leaving the net loss at £57,187 against a £35,581 profit previously.

The company is controlled by Francis Sumner (Holdings).

Little change at Garnar Scotblair

After rising from £573,000 to £703,000 at halfway, Garnar Scotblair, tanner and leather manufacturer, finished the year to January 31, 1980, with taxable profits of £1.37m, compared with £1.32m. Results included a property sales surplus of £113,000, against £63,000.

Turnover expanded from £31.69m to £39.88m. Fully diluted earnings are shown as 23.88p (24.64p) per 25p share, and 12.83p (15.01p) after a full tax charge—tax for the year was £82,000 (£194,000).

The dividend is stepped up to 6.25p (5p) net with a final payment of 3.85p.

There was an extraordinary debit of £85,000 (nil) for the period, and after minority losses, last time, of £35,000, the amount retained was £871,000 (£909,000).

ANNUAL MEETINGS

Because of difficulties with the printing of their annual reports the AGM for Boosey and Hawkes will now take place on June 18 and the Pentos meeting, scheduled for June 5, has been postponed.

SPAIN

May 9	Price %	+ or −
Banco Bilbao	203	−1
Banco Central	217	
Banco Exterior	206	
Banco Hispano	200	−1
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	237	
Banco Urquijo	140	
Banco Vizcaya	208	−1
Banco Zaragoza	200	—
Dragados	78	−3
Espanola Zinc	60	−2
Fecsa	59	−0.2
Gal. Preciados	24.5	−0.5
Hidrola	65	+0.3
Iberduero	58	−1
Petroleos	101	
Petroliber	59	
Sogefisa	107	
Telefonica	52	
Union Elect.	647	

WORLD STOCK MARKETS

Early 7.17 fall on Wall St.

AFTER THURSDAY'S late weakness, stocks retreated further on Wall Street yesterday, when analysts linked the weakness to *profit-taking and a slowing in the* decline in interest rates.

By 1 pm the Dow Jones Industrial Average was down 7.17 to 808.02, for a net loss of 2.90 on the week, while the NYSE All Common Index, at $60.00, lost 52 cents on the day and 5 cents on the week. Declines outpaced advances by an eight-to-five majority, while the trading volume dropped 7.06m shares to 22.36m compared with 1 pm Thursday.

Analysts said traders were takin gprofits after the interest rate rally of the past few weeks.

Additionally, the Credit Market extended Thursday's slide, signalling a slowing in the pace of interest rate declines. Federal Reserve chairman Volcker said the rapid pace of rate declines may not continue unless inflation is largely halted.

A sharp slowing in the rate of Wholesale Price increases in April was welcome but largely expected.

Oil issues and interest rate-sensitive stocks were weak. Citicorp, which held its prime rate unchanged at 17½ per cent, slipped $½ to $21¼. Bankamerica dipped $¼ to $25¼ and American Telephone eased $⅜ to $53.

In the Oil group, active Exxon lost $¾ to $59⅝, Standard Oil (Ohio) $2¼ to $87. Mobil $¼ to $66⅝, Standard Oil of California $1½ to $66½ and Sedco $3 to $68½.

Volume leader IBM shed $¼ to $53—a block of 604,700 shares traded at $52½.

Caterpillar Tractor dropped $2⅞ to $44⅛—it revised lower its 1980 deliveries forecast and announced further layoffs.

Liggett Group gave way $1⅞ to $58⅞—Grand Metropolitan sued to block Liggett's acquisition by Standard Brands.

Atlantic Richfield were down $1⅝ to $87⅛, GCA Corporation $1⅝ to $33⅛, Data General $1⅜ to $59⅛ and Computervision $1¼ to $41⅜.

ERC Corporation advanced $3⅜ to $65 bid. Over-the-Counter—late Thursday it reported a 25 per cent rise in first quarter profits. Waste Management gained $⅜ to $46 on a raised dividend.

THE AMERICAN SE Market Value Index shed 1.97 to 249.71, making a loss of 5.10 on the week.

Oils were mixed. Active Delhi International were lifted $3 to $43 and Triton Oil and Gas $1¼ to $21⅜, but Gulf Canada slipped $⅝ to $120⅝. Dome Petroleum $⅝ to $56⅞ and Bow Valley Industries $⅝ to $35⅞.

Financial General Bankshares dropped $⅜ to $20⅝—*a block of* 60,000 shares traded at $21.

Closing prices for North America were not available *for this edition.*

Canada

Markets were slightly lower in active trading around noon yesterday, when the Toronto Composite Index was off 1.3 at 1,827.1.

The Oil and Gas Index shed 35.3 to 3,960.4. Golds 15.5 to 2,850.5 and Metals and Minerals 0.6 to 1,663.2.

Germany

Continuing strength on the Domestic Bond Market pushed up shares by up to DM 6 in a lively turnover.

Banks benefitted most from the sound Bond Market, with Dresdner rising DM 2.00 to 188 despite lower operating profits. Commerzbank gained DM 2.70 to 167.5.

In Motors, Daimler put on D M5.70 to 257.5, and Siebens, up DM 2.20 at 263, led Electricals.

Chemicals were mixed, while GHH shed DM 2 to 205 in mixed Engineerings.

Most Stores continued to ease, although not as sharply as recently, with Kaufhof falling DM 3 to 187.5.

In Options, Trading prices were steady in a higher turnover, with business centering on Xerox, Philips, Conti Gummi and Hoechst on Call Options and Royal Dutch and Deutsche Bank on Put Options.

On the Domestic Bond Market, Public Authority Loans rose by up to DM 1 and the Bundesbank sold DM 36.5m of stock in Open-Market operations.

Mark-denominated Foreign Loans were firm.

Tokyo

Markets experienced a good performance, with Swiss stock prices showing a firmer trend in all sectors on large volume.

However, main volume was concentrated in the Insurance sector, and next in the Banking sector, whereas particularly Financials registered small interest, but prices were firm.

Although not reflected in the number of transactions, demand was strong with moderate Foreign buying.

After Thursday's signal from the lower Euro-Swiss franc rates, participants finally moved into the Stock Market, which had failed to move lower during a long lethargy.

Hong Kong

Stocks closed slightly higher as prospects for changed interest rates at today's meeting of the Exchange Banks' Fixing Committee dominated the market.

Jardines featured, up 20 cents at $HK 14.40, and continued to gain strength from prospects of increased profits from subsidiaries on the back of higher sugar prices.

Hongkong Land fell 50 cents to $HK 10.90 in a bout of profit-taking while Cheung Kong held unchanged at SHK 13.90 after its chairman, *Li Ka Shing, reaffirmed* it has no intention of launching a bid for Hutchison for at least two years.

Johannesburg

Very quiet with Golds easier. Mining Financials and Metals were little changed, while Industrials were mixed.

Platinums also were mixed.

Sugars reflected the current season's gloomy outlook, while Barlows rose 5 cents to R9.30 on higher profits but Hill Samuel fell 10 cents to R3.20 after Thursday's profits statement and proposed Rights issue announcement.

Australia

A five-year high for Sugar prices and confidence in the Oil sector underpinned firmer trading.

Copper Basin oil discoverer Santos rose *40 cents to a year's* high of $A9.20 on heavy overseas buying, while UK-favourite Woodside finished 10 cents *higher* at $A2.40.

CSR, up 14 cents at $A5.32, with the added benefit of a $A100m sugar deal with China, paced the sugar field, while Bundaberg finished 23 cents up at $A3.45.

Uraniums finished stronger, led by Pancontinental's 30-cents rise to *$A5.80, but a nine-month* low for Copper prices in London subdued most Metal Mines.

Paris

Profit-taking on the gains of the previous four sessions punctured the confidence of investors on the Bourse Friday. Also sapping investor sentiment was the weakness on the New York Stock Markets Thursday.

Despite the generally weaker trend, Foods and Constructions were in demand, while Mechanicals and Chemicals were mixed.

The firmer issues of the session were UFB, La Hein, St. Louis, Bouygues, Saunier Duval, Prenatal, SEB, Bellow, Sommer-Allibert, Navigation Mixte, BIS and Penarroya.

Among the heavy losers were Credit National, Sias, Dumez, Kali, Dassault, PLM, Arjomari, Galeries Lafayette, Jeumont-Schneider, Chiers-Chatillon and BIC.

Declines matched rises in the International section, where Americans, Canadians, Oils and Coppers were mainly easier. But Germans, Gold Mines and Dutch shares mostly advanced.

NEW YORK

Indices

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NORWAY

SWEDEN

SWITZERLAND

HONG KONG

SINGAPORE

SOUTH AFRICA

JAPAN

BRAZIL

Financial Rand US$0.93¾ (Discount of 25¼%)

Spanish prices, Page 23

THE PEARSON GROUP

S. PEARSON & SON

RESULTS FOR 1979

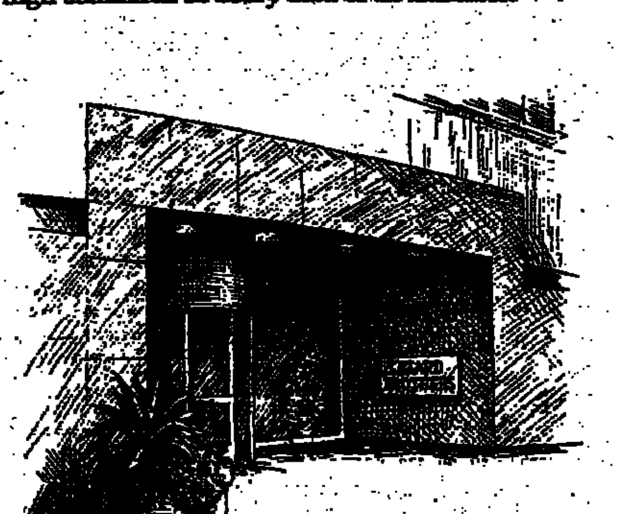
Group profit before tax	£53.7m
Made up as follows	
Pearson Longman	£25.7m
Royal Doulton	£13.9m
Whitehall Trust	£11.5m
Midhurst (USA)	£5.7m
Madame Tussaud's	£2.0m
Other Interests	£1.6m
Head Office Interest and expenses	(£6.7m)
Attributable profit before tax	£40.3m
Attributable profit after tax	£26.5m
Earnings per ordinary share	38.7p
Dividends per ordinary share	10.0p
Turnover	£483.8m

Pearson Longman

Pearson's publishing interests are held through Pearson Longman, a publicly listed company in which it has a 64% stake. Longman, Penguin and Ladybird publish an enormous range of books for worldwide distribution. The Financial Times is one of the world's great newspapers and the Westminster Press publishes some 80 local newspapers throughout the U.K.

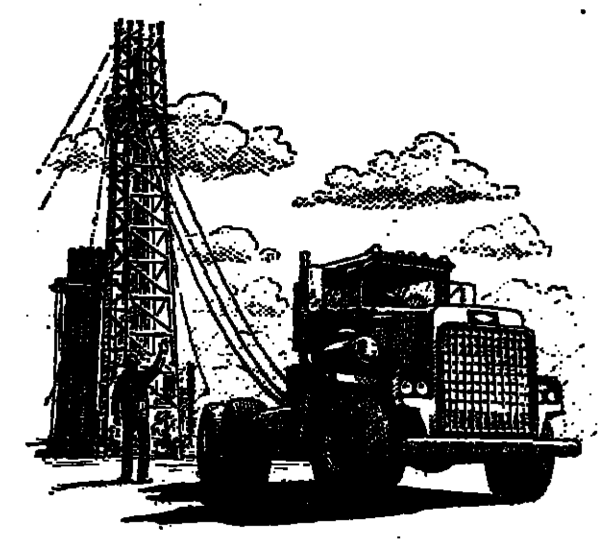
Royal Doulton

Best known perhaps for its tableware, Royal Doulton is also involved in industrial glass, engineering and sanitaryware. Manufacturing some of the finest and most successful tableware in the world, the company aims for the same high standards in every area of its business.



Whitehall Trust

Lazard Brothers, the merchant bank, and the Group's investment trusts comprise this highly successful division. The specialised banking services offered by Lazards, which include acceptances and export financing, corporate financial services and fund management, are in demand worldwide.



Midhurst (USA)

Leading the Group in profits growth for 1979 this company, which was formed in 1956, controls most of Pearson's North American interests. Midhurst's activities include oil and oil-related services and agriculture through its holding in Blackwell Land Company, which grows pistachios, almonds, cotton and grapes.

Madame Tussaud's

This world famous London institution continues to prosper despite a decline in tourism. Established here in 1835 in Baker Street, the wax exhibition still represents the major part of its activity. The Planetarium & Laserium, Warwick Castle, Chessington Zoo and Wookey Hole Caves and Mill all contribute to the continuing success of Madame Tussaud's.

Other Interests

Château Latour, Millrayne Holdings and the West Thurrock Estate comprise the other main interests of the Pearson Group. Château Latour enjoyed an abundant harvest in 1979 and sales of previous vintages went for excellent prices. Both Millrayne and the West Thurrock Estate represent important interests in property and make a useful contribution to the Group's overall profits.

Extracts from Lord Gibson's statement

I am pleased to report that in the second half of the year under review the Pearson Group more than recovered the ground lost in the first half . . . total profits for the whole year increased by 4% to £53.7 million, earnings per share rose by 8% to 38.7p . . . We are, therefore, recommending a final dividend which will increase the net total for 1979 by 25% over 1978. The profits of Pearson Longman and Madame Tussaud's were both slightly higher. Doulton just missed maintaining its profits, while those of Whitehall Trust increased satisfactorily due to a higher contribution from Lazards. The star performer was Midhurst Corporation (USA) where profits were substantially increased. Despite the sale of half our Ashland Oil holding for nearly £15 million our portfolio investments fell in value by only £6 million to £61 million.

FOR FURTHER INFORMATION

Please complete the coupon below and return it to our Registrars.

To: the Registrar (CAP 3/4)
S. Pearson & Son, Ltd.
Lloyds Bank Limited
Registrar's Department
Goring-by-Sea
Worthing
W. Sussex BN12 6DA.

Please tick the appropriate box if you would like to receive a copy of the following:—
1979 Annual Report ☐
Group Brochure ☐

Name

Company

Address

FT

INTERNATIONAL COMPANIES and FINANCE

Bank of NSW lifts profits but cuts payout

By James Forth in Sydney

THE BANK of New South Wales lifted group earnings 14.5 per cent from A$53.68 ($59.6m) to A$61.5m for the March half-year, but has reduced the dividend.

The interim dividend has been held at the "normal" payout of 8 cents a share. Last year, however, the directors added a "bonus" element of 2 cents a share after the half-year earnings jumped 62 per cent.

The final dividend was held at 8 cents, lifting the full payout from 16 cents to 18 cents. This year, the bonus has not been repeated.

The banking division turned in the strongest performance, lifting earnings almost 19 per cent from A$34m to A$40.4m. It easily outperformed the 77 per cent-owned finance arm, Australian Guarantee Corporation, which recenly reported a 7 per cent rise in half-year profits to A$27m. AGC's contribution to the parent bank rose from A$19.7m to A$21.1m.

Philips increases sales but earnings decline

BY CHARLES BATCHELOR IN AMSTERDAM

PHILIPS, the Dutch electrical group, achieved a strong increase in both value and volume of sales in the first three months of 1980, but profit levels slipped.

Turnover rose 13 per cent to Fl 8.18bn ($4.1bn) in the first quarter from a year earlier, while volume increased 9 per cent. This was nearly twice the annual rate of increase expected earlier, but the company said it would stick to its forecast of a 5 per cent volume rise in the year as a whole.

First quarter sales were influenced favourably by the net impact of a number of consolidations, of which the most important was that of Felten und Guilleaume Carlswerk of Germany, and Deconsolidations, in particular that of Philips India. Discounting these changes the increase in sales by value would have been 11 per cent.

Trading profit fell 4 per cent to Fl 467m and amounted to 5.7 per cent of sales compared with 6.8 per cent in the first quarter of 1979.

Profit after tax fell Fl 2m to Fl 162m and represented 2 per cent of sales, compared with 2.3 per cent a year ago. Net profit in the first quarter rose Fl 1m to Fl 163m representing 5.5 per cent of shareholders' equity, compared with 5.9 per cent last year.

Net profit per Fl 10 nominal share rose to Fl 0.88 from Fl 0.87. On the basis of U.S. accounting principles. Assuming Fl 2.13 to the dollar, profit per share fell to $0.42 from $0.47.

Sales in two product sectors, industrial supplies and professional products and systems, rose more steeply than the 11 per cent average while the home electronics and miscellaneous sectors performed below average.

● The company announced yesterday that it had won a £300m ($690m) order for telecommunications equipment from the Saudi Arabian Ministry of Post and Telecommunications in conjunction with its partner L. M. Ericsson of Sweden.

This enlarges the £1.7bn contract placed by the Saudi Arabians for the modernisation of the country's telephone exchanges last January.

Helaba to strengthen overseas presence

By Kevin Done in Frankfurt

THE Hessische Landesbank (Helaba) made further progress last year towards consolidating its activities, following the massive losses it suffered in the early 1970s.

Dr. Heinz Sippel, the chief executive of Helaba, stressed however, that last year's results had to be seen in the context of the full eight year recovery strategy formulated by the bank.

It had taken three years to restructure the bank's activities and extricate it from the major loss-making involvements and Helaba was still only half way through the five-year period of reconstruction.

As part of this process, the Hessische Landesbank is determined to strengthen its presence overseas and it is setting up its own branches or subsidiaries in Luxembourg, London and New York above all to ensure its long-term access to the Euromarkets and to enable it to offer a more comprehensive service to its German customers operating abroad.

In Luxembourg, it has ended its joint venture with the Banque Internationale a Luxembourg—each held 50 per cent *of the Banque Continentale du* Luxembourg—in favour of setting up its own 100 per cent subsidiary.

In London, it has taken over the branch of one of its own subsidiaries the Investitions- und *Handels-Bank (IHB)*, which is being run down by Helaba, and in New York it is building up the interests of its existing finance house into a full branch operation.

Dr. Sippel said that the bank would wait to judge the success of these ventures before moving to any other overseas bases.

Last year, foreign credits built up substantially as a share of the cerdit volume to reach 8.8 per cent of the total compared with 6.5 per cent in 1978.

Helaba improved its operating result by 16 per cent to DM 96m and its net earaings jumped to DM 150m compared with DM 65m in the previous *year. There is still no question* of paying a dividend, however.

The balance sheet total rose by 9.1 per cent to DM 49.2bn and its total loan volume, which is largely in long-term credits, rose by 13.4 per cent to DM 41.4bn.

Barlow Rand benefits from strong economic growth

BY JIM JONES IN JOHANNESBURG

BARLOW RAND, the diversified South African mining and industrial group, has benefited strongly from the country's economic growth and from better results from its mining interests during the six months to March 31. At the pre-tax level, first half operating profit rose 5.7 per cent to Rs 195.2m ($244m), from Rs 125.5b in the same period the previous year. *Income from investments*—boosted by higher gold mine dividends—rose to Rs 17.5m, from Rs 8.8m.

Turnover was 46 per cent ahead, at Rs 1.51 bn, against Rs 1.04bn. For the year to September 30, 1979, the group reported a pre-tax operating profit of Rs 290.2m, investment income of Rs 24.7m and turnover of Rs 2.3bn.

According to the management, the thrust of the group's industrial growth has come from stronger domestic construction and building activity. This resulted in *higher turnover* and profits for the cement, building materials, steel distribution, paint and construction equipment subsidiaries. The management is cautious on prospects for the second half of the year, warning that, though consolidated earnings for the year should show a substantial improvement on those of 1979, it is unlikely that the first half's rate of increase will be repeated in the second six months.

However, the board predicts that South Africa's economy will continue to grow strongly. The economic slowdowns of the country's major trading partners are thought unlikely to have a significant impact on the South African—other than to slow down export growth rates. In line with this confidence, the group is planning significant capital spending programmes. At end-March, outstanding capital spending commitments were R339m (compared with R148m at September 30, 1979, for expansion of the ferro-alloy stainless steel, cement and mining divisions.

An interim dividend of 18 cents, compared with 12 cents, has been declared from first-half earnings per share of 75.4 cents, against 46.5 cents. Dividends totalling 38 cents were paid from earnings per share of 118.6 cents in fiscal 1979.

Hagemeyer sees further recovery

BY OUR AMSTERDAM CORRESPONDENT

HAGEMEYER, the Dutch trading group, expects a further improvement in profits this year, since it has nearly completed the reorganisation of its loss-making activities. In 1979, it recovered to show a small profit after moving deep into *the red the year before.*

The improvement, which began in the second half of last year, continued into the early months of 1980, Mr. M. P. Steijger, the chairman said.

Hagemeyer, which is mainly *involved in trading consumer* goods and coffee, made a net profit of Fl 3.6m ($1.8m), compared with a loss of Fl 14.9m the year before. Sales rose 19 per cent to Fl 1.8bn ($900m). Operating profit rose 7 per cent to Fl 58.2m—composed of Fl 34.8m on trading activities, Fl 4m in the indsutrial sector and Fl 19.4m on commodity *trading.*

Hagemeyer proposes paying Fl 1.20 per Fl 20 nominal share after passing its dividend on the 1978 results.

The loss-making parts of the industrial sector have been re*organised and the product range* modified. A number of group companies have still to be restructured after which nearly all of the industrial division will be profitable. Operating profits fell in the trading division last year, although the reorganisation carried out in Hong Kong, Venezuela and Canada will start to show results.

Hagemeyer moved into the red in its traditionally profitable Australian market but expects to make profits again this year. Last year it switched from a dealership for Matsushita Consumer Electronics products *to being a minority shareholder* in a joint venture and this led to reorganisation costs.

Sandvik upgrades its forecast

BY VICTOR KAYFETZ IN STOCKHOLM

SANDVIK, the Swedish cement, carbide and steel group, expects 1980 earnings to exceed those of 1979, when pre-tax profit was SKr 603m ($143m) on turnover of SKr 6.64bn ($1.58bn), Mr. Lennart Ollen, director, told the *annual meeting.*

In its annual report, published last month, Sandvik had predicted earnings "in the same range" as in 1979.

First quarter order intake was 19 per cent above that of January-March last year and this trend shows no sign of weakening, Mr. Ollén said. This included a 27 per cent increase in Sweden, about 25 per cent in France and 37 per cent in Italy.

Sales in the first three months of 1980 were SKr 1.84bn ($436m), an improvement of 21 per cent on the period last year. Cemented carbides, which usually account for just over half of sales, and the steel divi*sion with between 25 and 30 per* cent of group turnover, had a higher than average sales increase, while tools and conveyers rose at a pace slower than the total sales increase.

"I believe us to have a good chance of exceeding our invoiced sales forecast of SwKr 7.5bn for the year." Profitability levels will be at least as good as in 1979, when returns on working capital was 12.2 per cent, Mr. Ollén added.

Provided a settlement is reached soon in the current strike and lockout in Sweden affecting most of industry, 1980 will be a good year for Sandvik, but a recession is to be expected in 1981, Mr. Ollén concluded.

Sharp rise for Saint-Gobain

By Terry Dodsworth in Paris

FINAL FIGURES for 1979 from Saint-Gobain-Pont-a-Mousson, the diversified French glass and pipe manufacturing conglomerate, show net consolidated profits for the previous year of FFr 656m ($153m) against an earlier estimate of FFr 650m. Sales rose to FFr 35.5bn compared with a forecast FFr 35.3bn.

The results underline a significant recovery by Saint-Gobain,

Closures query at Bethlehem

By John Makinson in New York

BETHLEHEM STEEL, the second largest U.S. steelmaker, is considering blast furnaces closures because of the deepening U.S. recession.

The group experienced a sharp drop in orders in March. Mr. Lewis W. Foy, chairman, said the *fall-off* had until now prompted by a decision on the been regarded as temporary, part of many industries to reduce stocks in the face of *high interest rates.*

The chances of a long recession in steel are increasing, however, and Bethelehem executives will meet in the next two weeks to decide whether permanent closures are necessary.

Steyr reports record turnover

BY PAUL LENDVAI IN VIENNA

STEYR-DAIMLER-PUCH, the top Austrian motor company, *reports* a 17 *per cent* rise in turnover last year to a record Sch 13.3bn ($1bn) and increased its dividend to 10 per against 9 per cent for 1978.

Dr. Heinreich Treichl, the director-general and chairman of the board of the Creditanstalt Bankverein, said that capital of the company, controlled by his bank, will be raised by Sch 200m to Sch 1.6bn.

Turnover this year is expected to rise by a further 20 per cent to at least Sch 16bn.

Mr. Michael Malzacher, the director-general of Steyr-Daimler-Puch, said. At the end of March, the order book was worth Sch 6.1bn, up 25 per cent from a year earlier, he added.

Domestic sales were up last year by 27 per cent to Sch 5bn, while exports rose 12 per cent to Sch 8.25bn. The share of exports during the past 10 years has risen from 42 per cent to 70 per cent of overall sales. During the same period, cash flow jumped from Sch 400m to Sch 1.3bn.

Mr. Malzacher said that commercial vehicles and agricultural machinery accounted for about 40 per cent of sales, while sales of two-wheel vehicles rose by 35 per cent to Sch 2.7bn.

Arms sales including light tanks and a variety of rifles rose 77 per cent and are likely to reach almost 20 per cent of aggregate sales this year.

Major developments last year included the opening of a tractor and lorry plant in Bauchi, Nigeria.

COMMODITIES/REVIEW OF THE WEEK

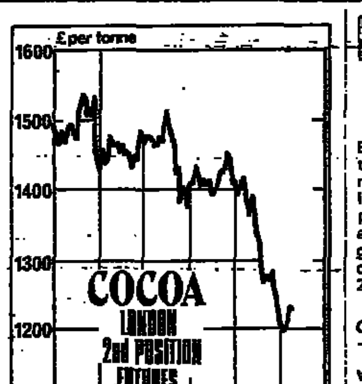
Sugar price surges to five-year peak

BY OUR COMMODITIES STAFF

WORLD SUGAR prices surged to the highest level for five years this week. The London daily price for raw sugar rose by £40 to £306 a tonne, well above the previous high for the year of £287 but still much below the all-time peak of £650 reached in 1974. On the futures market the August position reached a peak of £334-375 a tonne, £44.625 up on a week ago.

The sudden upsurge in the market this week was attributed mainly to further reports of serious delay in Soviet Union sugar beet plantings this year because of bad weather this spring. It is anticipated that with the Russians concentrating on grain production, the Soviet beet crop could be well down this year.

There have been persistent rumours of further large purchases by the Soviet Union, which is estimated to have already bought some 2m tonnes on the world sugar market to make up for shortfalls in its 1979 crop and a reduction in supplies from Cuba. Reports of a possible shortfall of beet in Russia, the world's largest sugar producer, came at a time when deman dfor sugar has been buoyant. Australia announced this week it had sold a further 150,000 tonnes to China; India confirmed it had imported 200,000 tonnes to meet a temporary shortage in supplies since it is normally a major net exporter; and there have been several other purchases by Middle East countries. Meanwhile the EEC has apparently cut back on exports in anticipation of higher prices.



Cocoa values eased yesterday but still ended substantially higher on the week. The July position closed at £1,229.5 a tonne, down £5 on the day and up £30.5 on the week.

The recent fall, which had taken the price below £1,200 a tonne for the first time since August, 1976, ended on Tuesday and further gains were made on Wednesday and Thursday. Dealers said this reflected relative tightness of nearby physical supplies with the Producers' Alliance restricting supplies to the world market in an attempt to boost values. Some selling by Brazil was reported in mid-week, however.

Yesterday's slight decline was put down to pre-weekend profit-taking.

News that the Colombian Coffee Federation had handed the country's U.S. export trade back to the private sector pushed coffee futures prices sharply higher on the London market yesterday. Dealers said *the move was likely to lift* prices received by growers because there would be competition for their produce instead of the Federation being a monopoly buyer.

Metal prices came under renewed pressure reflecting the gloomy outlook for demand. £15.5 down on the wek at £884 a tonne after falling to £870 on Wednesday. Lead prices too continued to decline.

Cash lead fell by another £16 to £336.5 a tonne—the lowest level since September 1978.

Tin was initially held up by further buying from the Communist bloc, but the market *then came under pressure as* the shortage of nearby supplies eased. Cash tin closed last night £367.5 down on the week at £7,420 a tonne.

Heavy speculative selling brought a sharp fall in aluminium futures on Tuesday when the market reopened after the Bank Holiday. The cash price lost £51.5 to £774.5 a tonne but subsequently rallied to £803.5 a tonne, £225 down on the week.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£760/70
Free Markets c.i.f.	$1,810/1,840	—30	$1 580/600	$2180/2200	$1750/1800
Antimony					
Free Market 99.6%	$3,390/3,440	—35	$3,315/325	$3,435	$3200/3300
Copper Cash Wire Bars	£884	—15.5	£912	£1,372	£877.5
3 months Do. Do	£909.5	—13	£924.75	£1,376.5	£903.25
Cash Cathodes	£866.5	—17.5	£903.5	£1,316	£860.5
3 months Do	£888.5	—15	£917	£1,343.5	£884.5
Gold per oz	$512.5	—	$251.125	$835	$473
Lead cash	£336.5	—16	£564.25	£579	£336.5
3 months	£344.5	—17	£535.5	£4715	£344.5
Nickel	£3,358	—	£2,728.75	£3,477	£3,195.78
Free Market c.i.f. lb	265/305c	—5	275/305c	315/345	265/305c
Platinum per oz.	£189/193	—	£171	£195	£189
Free Market per oz.	£247.70	—5.45	£206.75	£466.6	£230
Quicksilver (76lbs.)	$380/390	—15	$295/305	$405/415	$375/380
Silver per oz	570.70p	—8.3	407.80p	2,166.05p	530.4p
3 months per oz	590.70p	—8.3	418.60p	2,185.05p	553.30p
Tin cash	£7,420	—367.5	£7,415	£8,350	£7,235
3 months	£7,407.5	—227.5	£7,192.5	£8,385	£7,167
Tungsten Ind	$144.50	3.77	$135	$144.50	$137.75
Wolfram (22.04 lb)	$138/143	—	$138.42	$147/151	$129.50/134
Zinc cash	£288.5	—7.375	£381.75	£400	£288.5
3 months	£299.5	—7.625	£393.75	$415.5	£299.5
Producers	$760/825	—	$800	$825	$780
GRAINS					
Barley					
Home Futures	£91.60	+0.10	£88.20	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer)	‡	—	£111.50	£119	£116
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	‡	—	‡	£105	£92.75
Eng. Milling (new crop)	‡	—	£104.5	‡	‡
SPICES					
Cloves (g)	£4,175w	—	£3,950	£4,175	£3,870
Pepper, white	$2,425w	—75	$2,675	$2,825	$2,425
" black	$1,700w	—	$1,800	$2,025	$1,700
OILS					
Coconut (Philippines)	$615x	—	$1,110	$925	$570
Groundnut	‡	—	‡	£457	‡
Linseed, Crude	£387	—13	£404	$464	£368
Palm Malayan	$575v	+70	$660	$725	$505
SEEDS					
Copra (Philippines)	$375	+10	$735	610	$360
Soyabeans (U.S.)	$270.20v	—	$306.75	$304	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,270	+30	£1,667	£1,540	£1,240
F'ts 2nd psn	£1,229.5	+30.5	£1,592	£1,515.5	£1,199
Coffee Futures July	£1,739	+43	£1,584.5	£1,729.5	£1,479
Cotton Index	88.60c	—0.5	75.55c	98.40c	83.85c
Des. Coconut	£725	+10	£740	£740	£700
Jute LJ ABW C grade	£218yv	—	£492	£226	£216
Rubber kilo	61.25p	—1.75	59.25p	90p	61p
Sago Pearl	£204w	—	£188	£216	£204
Sisal No. 3 L	$885	—	$625	£885	£885
Sugar (Raw)	£306	+40	£99	£306	£164
Tapioca No. 1	£202w	—	£184	£221	£202
Tea (quality) kilo	†	—	130p	160p	132p
" (plain) kilo	†	—	76p	64p	65p
Wooltops 64s Warp	292p kilo	—8	283p kilo	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (t) June. (w) May/June. (y) June/July. (v) July.

MARKET REPORTS

BASE METALS

COPPER—Lower on the London Metal Exchange. Forward metal fell in early trading from £910 to £897 as the overnight sell-off continued, but at this level some support was found to provide a base for the advance in the afternoon. The weaker pound and the gain on Comex led London to £910 and a close of £909 on the Kerb. Turnover 24,175 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	579-80	-9.5	883-5	-14
3 months	901-.5	-12.5	909-10	-10.7
Settlem't	880	-9.5	—	......
Cathodes				
Cash	864-5	-4.5	865-8	—14
3 months	882-4	-7.5	887-90	—15
Settlem't	865	—5	—	......
U.S. Prod	—	......	*90-95.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £880, three months £902, 1, 900, 1, 900.5, 1, 2, 3, 2, 1.5, 1. Cathodes, cash £881, 62, 64, 65, three months £884. Kerbs: Wirebars, three months £902, 3; 4. Afternoon: Wirebars, three months £901, 900, 1, 2, 3, 8, 9, 10, 09, 8.5. Kerbs: Wirebars, three months £910, 09, 8, 7, 6, 7, 8, 9, 10, 9.

TIN—Lost ground with forward metal depressed at first by the lower overnight Eastern price and taken from £7,420 to £7,350 on stop-loss, chartist and hedge selling. At this level the price stabilised before advancing in the afternoon to £7,410 on covering against recent U.S. consumer buying. The close on the Kerb was £7,400. Turnover 1,485 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7530-60	—105	7440-60	—55
3 months	7630-70	—185	7415-30	—37.5
Settlem't	7460	—100	—	......
Standard				
Cash	7350-60	—135	7416-25	—47.5
3 months	7340-50	—110	7435-10	—40
Settlem't	7360	—140	—	......
Straits E.	‡$2240	—35	—	......
NewYork	—	......	—	......

Morning: *Standard*, cash £7,360, 50, three months £7,390, 80, 70, 60, 50, 40. High Grade, three months £7,400, 7,380. Kerbs: Standard, three months £7,350, 60. *Afternoon: Standard, three* months £7,390, 80, 85, 90, 95, 90, 95, 7,400, 10. Kerbs: Standard, three months £7,400, 7,395, 90.

LEAD—Easier after forward metal had fallen in early trading from £358 to £342 with some stop-loss selling evident. This established the trading range for the day. The price regained some of the lost ground in the morning but slipped back in the afternoon to close on the Kerb at £348.5. Turnover 8,600 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	344-5	-11.5	336-7	—12
3 months	350-1	—13	344.5	—10.5
S'ment	345	—12	—	......
U.S. Spot	—	......	*36-40	......

Morning: Cash £335, 44, 45, 44, three months £343, 44, 50, 49. Kerbs: Three months £350, 49, 48, 47, 48. Afternoon: Cash £341, three months £348, 46, 45, 44, 43, 44, 45, 44. *Kerbs:* Three months £345, 44, 46.

ZINC—Mover narrowly between £296 and £301 after an initial marking down. The close on the Kerb was £300. Turnover 8,625 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	285-7	—11.5	288-9	—9
3 months	296-8	—11.7	299-300	—8.5
S'ment	287	—11	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £298, 97, 98, 97, 98, 99. Kerbs: Three months £297, 98. Afternoon: Three months £297, 99, 300, 299.5, 300. Kerbs: Three months £299, 98, 99.

ALUMINIUM—Higher although forward metal had a drab start, falling from £773 to £768, influenced by the weakness of *other metals.* But covering against recent physical business lifted the market and, helped by greater *steadiness in other markets*, the price rose to £785 before closing on the Kerb at £783. Turnover 8,000 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	796-7	+20.5	802-5	+21
3 months	776-7	+15	783.5-4	+0.82

Morning: Three months £771, 70, 71, 73, 74, 75, 76, 77. Kerbs: Three months £776, 77, 78. Afternoon: Early June £805, three months £782, 83, 84, 85, 84, 83. Krbes: Three months £784, 83, 82, 83, 84, 83.

NICKEL—Little changed after a quietly steady session when forward metal started at £2,680 and closed on the Kerb at £2,710. Turnover 846 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2590-600	+7.5	2610-20	+10
3 months	2680-5	+2.5	2705-10	+12.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Cash £2,590, three months £2,680, 85. Kerbs: Three months £2,685. Afternoon: Cash £2,600, three months £2,695, 2,700, 05. Kerbs: Three months £2,705, 10.

SILVER

Silver was fixed 8.7p an ounce lower for spot delivery in the London bullion *market yesterday* at £5.707. U.S. equivalents of the fixing levels were: Spot $13.01, down 21.3c; three-month $13 298, down 20.2c; six-month $13.636, down 21.1c; and 12-month $14.42, down 19.4c. The metal opened at £5.6-5.85 ($12¾-13½) and closed at the same level.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	570.70p	—8.7	577p	+4.5
3 months	590.70p	—8.2	598p	+5
6 months	609.70p	—8.2	—	......
12months	649.70p	—8.2	—	......

LME—Turnover 136 (147) lots of 10,000 ounces. Morning: Cash 576, three months 590, 91, 92, 95. Kerbs: All carries. Afternoon: Three months 592, 93, 94, 95, 94, 93.5, 93, 95, 97, 98. Kerbs: Three months 595, 92.

COCOA

Although trading actively and touching highs £25 above Thursday evening, futures closed on a quiet note close to the lows of the day. Physicals were again traded only lightly with limited sales of cocoa beans from origin to the trade but consumers continued withdrawn, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
May	1205-15	—7.0	1239-15
July	1229-30	—5.0	1260-26
Sep	1251-52	—8.0	1275-45
Dec	1292-93	—11.0	1320-1287
March	1325-30	—11.0	1348-24
May	1340-60	—14.0	1370
July	1375-90	—5.0	1385-64

Sales: 2,429 (3,801) lots of 10 tonnes.

COFFEE

COFFEE	yesterday's Close £ per tonne	+ or —	Business Done
May	1685-86	+27.5	1687-65
July	1738-40	+30.0	1745-15
Sept	1786-88	+40.5	1796-52
Nov	1802-05	+45.0	1894-1767
January	1795-1800	+42.5	1895-1765
March	1751-65	+49.0	1750-20
May	1745-60	+48.5	1719

Sales: 7,829 (3,094) lots of 5 tonnes. ICS indicator prices for May 8 Arabicas 189.17 (187.33); Robustas ICA (U.S. cents per pound): Other Mild 1976 172.00 (169.75); ICA 1968 172.25 (170.00). Unwashed Arabicas 217.00 (216.50). Comp daily ICA 1968- 194.78 (193.22).

SUGAR

LONDON DAILY PRICE (raw sugar): £306.00 (£304.00) a tonne cif for May-June shipment. White sugar daily price was £303.00 (£300.00).

The market was contained within a £4 trading range during the morning—later however prices surged reaching life-of-contract highs across the board following rumours that Thailand had imposed a ban on the export of sugar. However profit taking pared the gains somewhat at the close, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	325.00-51.00	327.00-27.50	351.00-25.25
Aug	354.25-34.50	324.50-25.75	357.00-20.00
Oct	340.50-40.70	328.85-28.05	341.25-24.50

Sales: 9,114 (11,768) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order, buyer, seller only). August 337.00, 337.25; *Oct.* 342.75, 342.90; *Jan.* 346.75, 346.50; March 347.25, 347.75; May 345.50, 347.00; August 344.75, 345.00; Oct. 343.50, 343.55. Sales 1,172 (3,805).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £396.50 (same) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for May 8. Daily price 29.39 (27.02). 15-day average 24.14 (23.63).

GRAINS

LONDON GRAIN FUTURES—Old crops *opened higher and steady* buying brought further gains. New crops were also higher, reports Acli.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
May	93.40	+1.50	90.55	+0.55
Sept	93.85	+0.45	91.60	+0.50
Nov	97.60	+0.58	95.40	+0.45
Jan	101.35	+0.50	99.15	+0.45
Mar	104.60	+0.45	102.45	+0.40

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 98.90, E. Midlands 93.70. *Feed* barley: Eastern 92.20, E. Midlands 90.40, N. *East 92.00. Scotland 92.00.*

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, May 96.90, June 97.25, July 98.15, Aug. 99.10, Sept. 110.45, Oct. 102.00, Nov. 103.75 transhipment East Coast. English Feed fob May 98.50, June 99.50, East Coast. Maize: French May 117, June 118 East Coast. S. African Yellow *May-June 80.00. Barley: English Feed* fob May 97.50, June 98.50 East Coast. Rest unquoted.

Business done—Wheat: May 93.40-92.60, Sept. 93.85-93.65, Nov. 97.60-97.40, Jan. 101.25-101.15, March 104.60-104.40. Sales: 113 lots of 100 tonnes. Barley: May 90.35-90.10, Sept. 91.55-91.25, Nov. 95.40-95.10, Jan. 99.15-98.15, March 102.45-102.25. Sales: 238 lots of 100 tonnes.

RUBBER

The London physical market opened slightly steadier, with little interest throughout the day, closing on an easier note. Lewis and Peat reported *a Malaysian godown price of 301 (300)* cents a kg (buyer, June).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	61.20-61.30	61.10-61.70	61.40-61.50
July	62.30-62.40	62.60-62.50	—
Jly-Sept	65.50-65.60	65.50-65.80	64.40-65.70
Oct-Dec	67.20-67.30	67.50-67.40	66.20-67.2
Jan-Mar	70.20-70.30	70.30-70.40	71.20-70.20
Apr-Jne	72.80-73.10	73.10-73.20	—
Jly-Sept	75.80-76.70	75.70-75.80	76.40-76.0
Oct-Dec	78.40-78.50	78.40-78.60	78.00
Jan-Mar	81.10-81.20	81.20-81.40	—

Sales: 390 (724) at 15 tonnes, 15 (3) at 5 tonnes.

Physical closing prices (buyers) were: Spot 61.25p (61.00p); June 64.50p (64.75p); July 65.25p (65.50p).

COTTON

LIVERPOOL—Spot and shipment sales *amounted to 80* tonnes, bringing the total for the week to 132 tonnes, against 292 tonnes in the previous week. Although further transactions were recorded, the offtake over the shortened week was by far th smallest so far this year and buyers were reluctant to operate. Most attention was *centred on North and South* American growths.

AMERICAN MARKETS

NEW YORK, May 9.

THE CATTLE markets continued their pre-holiday rally, while the pork complex was mixed. Reports of Thailand planning to suspend sugar shipments because of sustained drought moved prices up the limit. Heavy buying by producers plus higher registration price in Colombia advanced coffee prices significantly higher. Cocoa was featureless in a narrow trading range with closes shaded lower. Gold recovered from early losses after the Libyan announcement that oil shipments may be suspended. Silver was mixed in a narrow range. Cotton closed fractionally higher on good interest in nearby shipments. Copper closed moderately lower, following gold up from early heavy losses. Grains eased *off on mixed weather reports* while soyabeans were moderately higher, reported Heinold.

Potatoes (round whites)—Nov. 73.5-73.6 (73.4).

¶Silver—May 1303.0 (1294.5), June 1302.0 (1298.0), July 1305.0-1319.0, Sept. 1336.0, Dec. 1374.0, Jan. 1387.0, March 1413.0, May 1438.0, July 1463.0, *Sept. 1488.0, Dec. 1526.0, Jan. 1538.5,* March 1563.5. Sales: 1,000. Handy and Harman bullion spot 1300.00 (1305.00).

Sugar—No. 11: July 32.20-32.25 (30.39), Sept. 31.10 (30.10), Oct. 31.25, Jan. 31.93, March 32.15, May 32.23, July 31.95, Sept. 31.94, Oct. 31.85. Sales: 14,838.

Tin—770.00-785.00 asked (780.00-794.00).

CHICAGO, May 9.

Lard—Chicago loose 18.00 (same). New York prime steam 19.50.

Live Cattle—June 67.27-67.10 (66.32), Aug. 67.10-67.40 (66.40), Oct. 65.20-65.06, Dec. 65.30-65.50, Jan. ——, Feb. 66.40, April 66.65.

Live Hogs—June 35.60-34.90 (34.50), July 36.65-36.75 (36.15), Aug. 36.15-36.20, Oct. 36.52-36.60, Dec. 39.67-39.70, Feb. 42.90-42.97, April 41.65, June 45.00, July 45.20.

‡‡Maize—May 273¾-274¼ (275¼), July 283-283½ (284¼), Sept. 293¾, Dec. 300¼-300¾, March 312½-312¾, May 320¾.

Pork Bellies—May 32.70 (32.72), July 33.75-33.95 (33.87), Aug. 33.35-33.50, Feb. 47.05-47.25, March 47.25, May 47.90, July 48.52, Aug. 47.52.

Silver—May 1290.0 (1290.0), June 1296.0 (1296.0), July ——, Aug. 1321.0, Oct. 1346.0, Dec. 1371.0, Feb. 1396.0, April 1421.0, June 1446.0, Aug. 1471.0, Oct. 1496.0, Dec. 1521.0, Feb. 1546.0, April 1571.0, June 1596.0, Aug. 1621.0, Oct. 1646.0.

†Soyabeans—May 618½ (616¾), July 632-633 (632), Aug. 642, Sept. 650, Nov. 663-661½, Jan. 677, March 692, May 702½.

‖Soyabean Meal—May 171.5-171.6 (172.0), July 177.0-177.2 (177.9), Aug. 179.7-179.5, Sept. 182.0-181.5, Oct. 184.5, Dec. 188.5-188.7, Jan. 191.0-190.5, March 195.0, May 198.5-199.0, July 202.0-204.0.

Soyabean Oil — May 20.95-20.88 (20.87), July 21.38-21.40 (21.12), Aug. 21.68-21.65, Sept. 21.85-21.90, Oct. 22.05-22.10, Dec. 22.40, Jan. 22.45, March 22.85, May 23.15-23.25, July 23.40.

†Wheat—May 420-419½ (423), July 427-429 (432), Sept. 440½-442, Dec. 457½-459, March 472-471, May 480.

WINNIPEG, May 9. §Barley—May 116.90 (117.80), July 118.40 (119.30), Oct. 118.70, Dec. 118.40, March 118.40.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per *metric ton.* §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

May 8	May 7	M'nth ago	Year ago
276.29	275.46	291.17	268.44

(Base: July 1, 1952=100)

MOODY'S

May 8	May 7	M'nth ago	Year ago
1119.8	1111.0	1140.7	1069.0

(December 31, 1931=100)

DOW JONES

Dow Jones	May 8	May 7	Month ago	Year ago
Spot	444.32	426.77	416.90	392.91
F'tur's	440.89	433.44	429.95	396.54

(Average 1924-25-26=100)

REUTERS

May 9	May 8	M'nth ago	Year ago
1709.1	1710.6	1726.3	1562.7

(Base: September 18, 1931=100)

SOYABEAN MEAL

The London market opened slightly easier on light profit-taking, reports T. G. Roddick. Prices drifted from opening levels but ran into fresh commission house buying and rallied to close unchanged on the day.

	Yest'rday Close £ per tonne	+ or —	Business Done
June	109.40-09.5	—0.15	109.70-09.00
August	109.20-09.5	+0.05	109.60-09.70
October	107.50-07.8	—	107.60-06.80
December	110.80-10.3	—	110.00
February	112.50-13.2	+0.10	112.50
April	114.50-17.0	+0.75	—
June	116.50-19.0	+1.00	—

Sales: 63 (93) lots of 100 tonnes.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Australian cents per pound, May 437.5, 438.9, 438.0-436.5, 15; July 447.5, 448.0, 448.0-443.0, 228; Oct. 450.5, 451.0, 453.0-446.0, 160; Dec. 455.0, 457.0-451.0, 155; March 462.0, 465.0, 465.0-459.0, 42; May 464.0, 465.0, 468.0-463.5, 21; July 469.0, 470.0, 471.0-469.0, 13; Oct. 471.0, 472.0, 475.0-472.0, 8. Sales: 642.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, only). *New* Zealand cents per kilo. May 358, 370; Aug 372, 385; Oct. 375, 380; Dec. 375, 380; Jan. 372, 376; March 375, 379 May 374, 382; Aug. 375, 395; Oct. 375, 395.

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod *£4.50-£4.80, codlings* £2.50-£3.60. Large haddock £3.30-£4.00, medium £4.00, small £1.80-£2.50. Best small plaice £3.50-£4.00. Lemon soles (large) £8.50, medium £7.50. Rockfish £2.00-£2.80. Reds £1.80-£2.90. Saithe £2.00.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on May 9.- GB cattle 85.79p per kg lw (+0.72); UK sheep 148.7p per kg est dcw (+1.4); GB pigs 76.1p per kg lw (+5.7).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Varnes 3.80-4.20, Bloods 3.30-3.60; Jaffa: Valencia Lates 50/189's 4.40-5.80; Egyptian: Valencia Lates 75/125's 3.00; Moroccan: 54/113's 4.20-4.80; Cyprus: Valencia Lates 3.50-5.80. Ortaniques—Jamiacan: 54/126's 4.00-4.50. Lemons—Italian: 100/150's 4.50-4.65; Spania: Trays 25/45's 1.80-2.40, boxes 4.20-5.20; S. African: Trays 7½ kg 3.00-3.25. Grapefruit—Cyprus: 20 kg 4.00-5.40; Jaffa: Large boxes 32/88's 4.15-5.05. Minneolas—Californian: Approx 20 lb 64/90's 4.30-4.50. Apples—Argentina: Red Delicious 100's 8.40; New Zealand: Cox's Orange Pippins 9.40-9.60; Tasmanian: Cox's Orange Pippins 9.40-10.00, Jonathans 7.50; Chilean: Granny Smith large boxes 125/150's 7.70; S. African: Golden Delicious 7.20-7.60, Starking 7.80-8.30, White Winters 125/180's 7.20-7.60, Granny Smith 7.80-8.20; *French: Golden* Delicious boxes 40 lb 138/175's 4.00-4.50, 20 lb 2.00-2.80, Starkcrimson 125/150's 7.20; Italian: Jonathans 0.10½, Romes 0.11. Pears—S. African: Approx. 34 lb Beurre Bosc 8.00, Packham's 7.50-8.00; Italian: Passacrassane 12 lb 1.70. Grapes—S African: Barlinka 4.60, Golden Hill 8.20, Almeria 8.20. Strawberries—Per punnet, Californian: 0.80; Italian: 0.37½; Portuguese. 0.35.

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Tobacco firm urged to drop campaign aimed at the young

BY IVOR OWEN

PHILIP MORRIS, the tobacco firm which markets Chesterfield and Marlboro cigarettes, is being pressed by the Government to abandon a sales campaign directed at young people.

Forcefully condemning the campaign Mr. Patrick Jenkin, Social Services Secretary, said it involved activities "blatantly out of accord" with the spirit of th e1977 voluntary agreement limiting cigarette advertising.

At issue is a scheme involving direct mail and other promotional techniques centred on two "clubs" the Chesterfield, linked with the National Union of Students, and the Marlboro.

Hazards

Mr. Jenkin said in the Commons yesterday: "My department is in touch with the firm about this and I hope they will totally abandon both these promotions."

Mr. Jenkin assured MPs that negotiations to secure a new voluntary agreement on advertising were still "very much alive."

They were taking longer than anticipated. Meanwhile, the 1977 agreement which should have expired in March, was continuing.

There were calls to reduce cigarette smoking by further limitations on advertising and highlighting health hazards. Mr. Jenkin said the Government's preference was for action through persuasion and consent. He believed it would be wrong to force abrupt changes on the industry.

However, Mr. Jenkin said no government could rule out legislation for all time. He announced that he had commissioned a new survey on attitudes towards smoking.

"Smoking at a young age is not the result of an informed and rational decision," he said.

"Those who start young do so because they learn the habit from family or friends or because of the general climate of approval, created by society at large."

A series of private interviews would be held this year and 4,000 "national sample" would take place next year. Mr. Jenkin hoped survey results would be known towards the end of 1981.

Howe defends oil revenue tax policy

FINANCIAL TIMES REPORTER

SIR GEOFFREY HOWE, Chancellor of the Exchequer, defended the Government's taxation policy on oil company revenues yesterday after his first visit to a North Sea oil-rig. He was speaking at an airport Press conference following his trip to BP's Forties Field.

Asked if taxation at the present level would discourage risk-taking in the North Sea, Sir Geoffrey said the Government had been trying to achieve a balance between the community as a whole and those who had invested capital and enterprise in the North Sea. It felt it had the balance about right.

Sir Geoffrey said of his first offshore oilfield visit that the scale of operations had been much larger than he had envisaged. He was most impressed with the energy, enthusiasm and skill deployed in the Forties Field.

Civil engineering group put into receivership

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE SOUTH WALES civil engineering group T. Potter and Son, has been put into receivership by its bankers, National Westminster, in a move which could lead to 600 redundancies in the Port Talbot area.

The company said yesterday that it had been hit by high interest rates and the recent steel strike. The bank had been approached for further borrowings but these had been refused.

The receiver will arrive on Monday, and the company hopes that it will be possible for it to continue running as a going concern. Work is continuing on contracts for construction and civil engineering projects in several parts of central and south Wales.

T. Potter has three important contracts with the British Steel Corporation for the modernisation and expansion of the Port Talbot steelworks. Work on them could not proceed during the strike, the company said, because Potter employees would not cross picket lines. The company's cash flow had suffered, but work on the contracts had been resumed.

If the apointment of a receiver does not save the company, the job losses would be an added blow to an area already threatened by up to 7,000 redundancies at the Port Talbot steelworks. Potter employs between 550 and 600 construction workers, all recruited locally.

The financial position of Potter has not been disclosed. A statement yesterday referred to the "intolerable financial burden" imposed on the company by the high cost of borrowing and disruptions to production.

Conferences 'bring cash boost for London'

BY JAMES McDONALD

INTERNATIONAL Conference business brings in more than £150m a year to London, which leads the world league of conference cities, said Mr. Michael Montague, chairman of the English Tourist Board, in London yesterday.

During the last five years London has attracted more international conferences and congresses than any other city and Britain has been second only to the U.S. as a conference country over the same period.

Out-of-town delegates to conferences spend an average of £81 per day each in London, Mr. Montague told the Association of Conference Executives. However, he said that, because this segment of the foreign tourist market is so lucrative, it is also fiercely competitive.

"In the face of recession in many parts of the world, and other economic difficulties, we must fight harder than ever to retain and improve our share of the international conference business," he said.

Let UN control nuclear weapons, says Silkin

BY PHILIP RAWSTORNE

CONTROL of all nuclear weapons should be given to the United Nations, Mr. John Silkin, Labour Spokesman on Industry, said last night.

"The alternative is for the world to live uneasily on in the shadow of the most costly, most threatening, most destructive of *all the terrifying instruments of* death that mankind has devised," he said at a Labour Party meeting in Greenwich.

If the danger of war had suddenly become more imminent because of events in Iran and Afghanistan, Mr. Silkin suggested, the build-up of nuclear weapons posed a much greater threat.

"The truth is that possession of nuclear weapons by any individual country is now a dangerous anachronism. As the U.S. and Russia come close to possessing a balance of nuclear terror, the time is now ripe for the control to be taken from them and from all nations who possess nuclear weapons, and given to the United Nations," he said.

Mr. Silkin suggested that the United Nations must also learn to act as a unified force against international terrorism. It should employ sanctions or other means to free hostages in cases where individual governments were unable or unwilling to act.

Shoe company redundancies

NEARLY 100 of 150 workers employed by Norvic shoe manufacturing company, Northampton, are to be made redundant because of a fall in sales due mainly to cheap imports.

Stock Exchange dealings

Thursday, May 8	19,593
Wednesday, May 7	18,442
Tuesday, May 6	20,245
Monday, May 5	—
Friday, May 2	17,794
Thursday, May 1	18,065

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous three business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (548)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (11)

COMMONWEALTH GOVTS. (7)

FOREIGN STOCKS (1)

BANKS (109)

BREWERIES (183)

CORPORATIONS (12)

Newcastle-upon-Tyne Corp. 9¼pc 97⁵⁄₁₆
St Helens Met. Borough of 11¼pc 89 (6/5)
Salford Corp. 5½pc 61⅛ ¼ (2/5)
Southwark Corp. 11¼pc 90 (6/5). 12¼pc 94¼
Swansea Corp. 9¼pc 96¹¹⁄₁₆ (6/5)
Tameside (Met. Borough of) 10¾pc 91¼ (2/5)
Westminster (City of) 13pc 96⅞ (6/5) 11¼pc (4/6) 99¼ (2/5) 11¼pc (18/5) 99 ⁵⁄₃₂ (2/5) 12¼pc (13/8) 98¹¹⁄₁₆ (6/5)

South African (R0.20) 129
Tomatin (25p) 171 70
Truman 7¼pcDb. 59¼⊕ 9⊕
Vaux (25p) 154⊕ 1. 6½pcPf. 48¼⊕ ½⊕
Watney Mann Truman 8pcLn. 62 (6/5)
Whitbread A (25p) 153 2. 4½pcPf. 30 (7/5). 6½pcDb. 57¼ (6/5). 7¼pcLn. 52½ (6/5). 10½pcLn. 71¼ ¼. 11pcLn. 222⊕
Whitbread Inv. (25p) 130 (6/5)
Wolverhampton Dudley (25p) 335⊕
Young (50p) 163 (7/5)

COMMERCIAL (1,560)

A—B

AAH (25p) 130 (6/5)
AC Cars (5p) 52 (8/5)
AGB Research (10p) 172 (2/5)
AI Industrial Products (25p) 25
APV (50p) 187 (6/5)
Aaronson Bros. (10p) 65
Abercom (R0.30) 105½⊕ 10⊕
Aberdeen Cons. Group (25p) 100
Acrow Non. V. (25p) 68 (22/4). 8pcLn. 54½ (2/5)
Adams, Gibbon (25p) 75 (2/5)

Combined English Stores Grp. (12½p) 32 (2/5)
Comet Radiovision Services (5p) 95 4 (7/5)
Comfort Hotels Int. (10p) 23 ½ (6/5)
Concentric (10p) 39½ (7/5)
Concord Rotaflex (10p) 29 (6/5)
Continuous Stationery (10p) 40 (2/5)
Cook (William) (Sheffield) (20p) 16 (2/5)
Cooper (Frederick) Hldgs. (10p) 30 (2/5)
Cooper Indus (10p) 13½ (2/5)
Cope Allman Internat. (5p) 70 ½ 1 (2/5)
Copydex (10p) 43 (6/5)
Corah (25p) 29 (6/5)
Coral Leisure Grp. (10p) 58⊕ 7⊕ 60 56

C—D

E—F

G—H

I—K

L—M

N—O—P

Philcom (10p) 32⊕ 4⊕ 1
Philips Finance 5¾pcLn. 48 (2/5)
Philips Lamps Hldg (Fl10) 412
Philips Patents (Hldgs.) (25p) 13 (6/5)
Phoenix Timber (25p) 125 3 (6/5)
Photo-Me Internti. (50p) 385⊕
Pickles (William) A (10p) 6¾ (6/5)

Q—R—S

T—U—V

United Carriers (10p) 128 (2/5)
United City Merchants (10p) 25 6 (7/5) 10pcCnv.Uns.Ln. (14p) 23
United Gas Inds. (25p) 63⊕
United Scientific Hldgs. (25p) 472
United Wire Group (25p) 48½⊕ 8⊕
Unochrome Industries (10p) 13½ (2/5)
Upton (E.) Sons A (25p) 30 (2/5)

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol	Jan. Last	Stock
ABN C	F.300	2	6.80	—	—	—	—	F.293
ABN C	F.320	20	1.10	—	—	—	—	"
AKZ C	F.22.50	55	1.90	—	—	—	—	F.24.20
AKZ C	F.25	14	0.60	44	1.30	55	1.80	"
AKZ C	F.27.50	—	—	255	0.70	—	—	"
AKZ C	F.22.50	3	1	—	—	—	—	"
AKZ P	F.25	2	2.70	—	—	—	—	"
ARB P	F.60	4	5.30	—	—	—	—	F.62.70
ARB C	F.65	10	1.70	—	—	—	—	"
EK C	$50	2	3½	1	4⅞	—	—	$50⅜
FNG C	$20	4	2⅝	—	—	—	—	$21½
HEI C	F.60	3	3	—	—	—	—	F.59
HEI C	F.65	—	—	4	3.60	—	—	"
HEI C	F.60	20	3	—	—	—	—	"
HEN P	F.52	2	0.40	—	—	—	—	"
HO C	F.17.50	1	0.90	50	1.00	—	—	F.16.60
HO C	F.22.50	10	0.20	—	—	—	—	"
IBM C	$55	2	2⅝	—	—	—	—	$53⅝
KLM C	F.70	35	1.40	1	3.10	—	—	F.62.60
KLM C	F.80	20	0.40	—	—	—	—	"
KLM P	F.60	14	3.20	1	5.80	—	—	"
KLM P	F.70	2	8.60	—	—	—	—	"
NN C	F.115	10	4.30	—	—	—	—	F.117.50
NN C	F.120	4	1.60	—	—	—	—	"
NN P	F.110	13	0.70	—	—	—	—	"
PET C	Fr.5500	3	150	—	—	—	—	Fr.5100
PET C	F.6000	6	70	—	—	—	—	"
PHI C	F.17.50	189	1.70	65	1.90	10	2.40	F.19.10
PHI C	F.20	325	0.30	44	0.70	216	1.10	"
PHI C	F.22.50	—	—	22	0.30	—	—	"
PHI P	F.20	10	1.90	10	2.10	—	—	"
PHI P	F.22.50	—	—	—	—	—	—	"
RD C	F.150	62	5	—	—	—	—	F.152.30
RD C	F.160	28	2	21	4.30	20	6.60	"
RD C	F.170	125	0.50	38	1.80	—	—	"
RD P	F.140	—	—	1	4.90	—	—	"
RD P	F.145	11	4.10	6	7.30	—	—	"
RD P	F.150	15	7.30	12	11	—	—	"
RD P	F.160	42	14.30	—	—	—	—	"
RD P	F.170	37	23	—	—	—	—	"
T C	$55	25	1⅛	8	1⅞	—	—	$53¼
UNI P	F.105	10	2	—	—	—	—	F.111.50
UNI P	F.110	6	5.70	—	—	—	—	"
XRX C	$70	—	—	1	⅝	—	—	$51¾
		May		Aug.		Nov.		
BA C	$40	—	—	—	—	10	2⅝	$32⅞
BAZ C	$33⅜	5	⅜	—	—	—	—	"
OXY C	$20	10	2⅛	—	—	—	—	$22¼
OXY C	$25	10	⅛	—	—	—	—	"
SLB C	$100	2	4½	—	—	—	—	$104¼
SLB C	$110	—	—	1	6¾	—	—	"
VEB C	DM.140	10	2.60	—	—	1	7	DM 158.2

TOTAL VOLUME IN CONTRACTS 3040

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	*Hambros Bank*	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amro Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ *Samuel Montagu*	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	*Norwich General Trust*	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	*Wintrust Secs. Ltd.*	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Ultramar	25p	13	668	−12	680	412
Premier Cons.	5p	12	94	—	94	39½
LASMO	25p	9	630	+ 2	630	337
Tricentrol	25p	8	350	+ 6	350	250
Carless Capel	10p	7	140	—	142	75
KCA Intl.	25p	7	85	+ 2	85	41
Bowring (C. T.)	25p	6	154	+ 1	166	122
BP	25p	6	324	− 8	412	320
Dunlop	50p	6	67	+ 4	70	51
RTZ	25p	6	360	+ 2	485	327
Barclays Bank	£1	5	427	− 1	452	392
Burmah Oil	£1	5	210	—	249	162
GEC	25p	5	371	− 4	388	326
Midland Bank	£1	5	332	− 3	383	308
Unilever	25p	5	408	− 2	480	388

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	67	630	+55	630	337
Premier Cons.	5p	53	94	+ 8	94	39½
Ultramar	25p	40	668	− 6	680	412
Carless Capel	10p	37	140	+ 4	142	75
Burmah Oil	£1	32	210	—	249	162
KCA Intl.	25p	31	85	+10	85	41
Shell Transport	25p	29	350	—	410	314
ICI	£1	28	378	+ 2	402	353
Tricentrol	25p	28	350	+12	350	250
De Beers Defd.	R0.05	27	385	+ 3	553	368
BAT Inds.	25p	26	247	− 8	371	223
RTZ	25p	25	360	+ 5	485	327
BP	25p	23	324	−10	412	320
Cons. Gold Fields	25p	23	482	+ 4	533	385
GKN	£1	23	267	− 9	279	237

مكرامن الأحمل

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

MAY 8

MAY 7

MAY 6

MAY 2

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MAY 8

Aran Energy 350 4
Aran Energy New 340 50

(By permission of the Stock Exchange Council)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	14¾	½-year	1,000	1
Redbridge (01-478 3020)	14¾	½-year	200	2-3
Redbridge (01-478 3020)	14¾	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.70	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 3 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.58 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mths. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.50 3 yr., 11.25 3 mth.not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths. not. m.n. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.53 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.80	11.70	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.30	—	12.20 6 mths. not. WDL. min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending rate 17 per cent (since November 15, 1979)

The Treasury bill rate rose by *0.1370 per cent* at yesterday's tender to 16.1475 per cent, and the minimum accepted bid fell to £95.95 against £96.005 the previous week. Bids at that level were met as to about 16 per cent and above in full. The £300m bills on offer attracted bids of £840.615m. and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in short supply in the London money market, and the authorities gave assistance on a large scale. This comprised moderate purchases of Treasury bills and a small number of corporation bills all direct from discount houses. The market was faced with the repayment of Thursday's moderate advances and a small increase in the note circulation. There was also a moderate net take up of Treasury bills to finance. On the other hand there was a moderate excess of Government disbursements over revenue transfers to the Exchequer.

In the interbank market weekend money opened at 17⅜-17⅝ per cent and eased to 15½-15¾ per cent by early afternoon before coming back to 16¾-17 per cent. Late balances were taken at 17-17½ per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

The dollar improved against most currencies yesterday after fluctuating for most of the day in fairly quiet trading. It opened higher than Thursday's closing levels in London, but was slightly easier than its close in New York. The U.S. unit started to improve as Euro-dollar rates were slightly firmer, but fell back on news that Libya was considering cutting off oil supplies to the U.S. However a little book squaring later in the day and a statement by Mr. Paul Volcker, chairman of the U.S. Federal Reserve Board, that interest rates may not continue their recent decline unless the rate of inflation decreases, pushed the dollar towards its best level of the day.

Against the D-mark it finished at DM 1.8130 against DM 1.7930 and SwFr 1.6805 compared with SwFr 1.610 in terms of the Swiss franc.

Sterling showed an easier tendency, and its trade weighted index fell to 73.0 from 73.3. Against the dollar it opened at $2.2770-2.2780 and rose to $2.2S on the Libyan news. But as the dollar recovered during the afternoon, sterling dipped to $2.2640 before closing at $2.2670-2.2680, a fall of 1.83c.

Gold lost $4 an ounce in the bullion market to close at $510-515. It opened at $507-512 and dipped to $501-506 during the before coming back at the close.

THE POUND SPOT AND FORWARD

May 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2640-2.2800	2.2670-2.2680	1.27-1.17c pm	6.46	3.17-2.07pm	5.50
Canada	2.6765-2.6860	2.6775-2.6795	0.65-0.55c pm	2.69	2.30-2.20pm	3.36
Nethlnd.	4.51½-4.54½	4.52-4.53	3-2c pm	6.63	7¼-6¼ pm	5.86
Belgium	65.95-66.40	66.03-66.13	16-6c pm	2.00	23-13 pm	1.09
Denmark	12.86-12.91	12.86½-12.88½	2¼-4¼ore dis	−3.44	5¾-7¾ dis	−1.98
Ireland	1.1050-1.1085	1.1070-1.1080	0.06-0.02p pm	0.43	0.28-0.21 pm	0.88
W. Ger.	4.09-4.13	4.10½-4.11½	3¼-2¼pf pm	8.39	8¼-7¼ pm	7.65
Portugal	111.80-112.80	112.10-112.60	15c pm-40 dis	−1.33	5-115 dis	−2.14
Spain	161.40-162.70	161.75-161.95	5-75c dis	−2.96	70-155 dis	−2.18
Italy	1925-1938	1925¾-1927¾	3¼-1¾lire pm	1.71	4½-2½ pm	0.73
Norway	11.18-11.28	11.19¾-11.20¾	4¾-3ore pm	3.88	13-11 pm	4.29
France	9.58-9.64	9.59-9.60	5-4c pm	5.63	11-10 pm	4.38
Sweden	9.58-9.67	9.58-9.59	4-2¾ore pm	4.22	9½-8½ pm	3.75
Japan	524-532	525-526	2.60-2.35y pm	5.65	6.45-6.20 pm	4.81
Austria	29.10-29.40	29.18-29.33	21-15gro pm	7.39	55-45 pm	6.85
Switz.	3.78½-3.82	3.80½-3.81½	4⅛-3⅛c pm	12.20	10⅝-9⅝ pm	10.63

Belgian rate is for convertible francs. Financial franc 67.60-67.70.
Six-month forward dollar 4.35-4.25c pm. 12-month 6.15-6.05c pm.

GOLD

	May 9		May 8	
Gold Bullion (fine ounce)				
Close	$510-515	(£225-227¼)	$514-519	(£225-227¼)
Opening	$507-512	(£222¾-225)	$510-515	(£223¼-225½)
Morning fixing	$510.50	(£224.002)	$513.75	(£224.649)
Afternoon fixing	$508.25	(£223.210)	$515.75	(£225.622)
Gold Coins				
Krugerrand	$525-530	(£231-234)	$528-532	(£231-234)
Mapleleaf	$517-527	(£227½-232½)	$520-530	(£227½-232½)
New Sovereigns	$130-132	(£57¼-58¼)	$131-133	(£57½-58½)
King Sovs	$151-155	(£66½-69½)	$154-158	(£67-70)
Victoria Sovs	$151-155	(£66½-69½)	$154-158	(£67-70)
French 20s	$135-140		$137-140	
50 pesos Mexico	$630-638		$644-650	
100 Cor. Austria	$501-512		$510-516	
$20 Eagles	$630-635		$637-642	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

May 9	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.268	4.110	525.5	9.595	3.810	4.525	1927.	2.679	66.08
U.S. Dollar	0.441	1.	1.813	231.8	4.232	1.680	1.996	849.7	1.181	29.14
Deutschemark	0.243	0.552	1.	127.9	2.335	0.927	1.101	468.8	0.652	16.08
Japanese Yen 1,000.	1.903	4.315	7.821	1000.	18.26	7.250	8.611	3667.	5.097	125.7
French Franc 10	1.042	2.363	4.283	547.7	10.	3.971	4.716	2008.	2.792	68.87
Swiss Franc	0.262	0.595	1.079	137.9	2.518	1.	1.188	505.7	0.703	17.34
Dutch Guilder	0.221	0.501	0.908	116.1	2.120	0.842	1.	425.8	0.592	14.60
Italian Lira, 1,000	0.519	1.177	2.133	272.7	4.980	1.977	2.349	1000.	1.390	34.30
Canadian Dollar	0.373	0.847	1.534	196.2	3.582	1.422	1.689	719.3	1.	24.67
Belgian Franc 100	1.513	3.431	6.220	795.2	14.52	5.766	6.848	2916.	4.053	100.

LONDON MONEY RATES

May. 9 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Over night	—	16½-17½	—	—	—	16½-17½	16¾-17	—	—	—
2 days notice	—	—	17⅝-17¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17-17¼	17⅝-17¾	—	17 1/16	17½-17⅝	16¾-17	—	—	—
One month	17 1/16-17¼	17¼-17⅜	17¼-17¾	18⅝-18⅛	17⅝	17⅝-17¾	16⅞	15⅞-16½	17½	17⅞
Two months	17⅛-17⅜	17 1/16-17 3/16	—	17¾-17⅞	17 3/16	—	16½	16 1/16	17 1/16	17½
Three months	17 1/16-16 15/16	17-17⅛	16⅞-17⅛	17⅛-16¾	17⅜	17½-17⅞	16⅜	16 3/32-16⅛	16⅝	17
Six months	16 1/16-15 15/16	16-16⅛	15¾-16	16-16⅜	16⅜	16½	—	—	15	15⅝
Nine months	15⅝-15¼	15 7/16-15 5/16	—	16⅛-15⅝	15⅞	16	—	—	—	—
One Year	14⅞-14¾	15-15⅛	15-15¼	15⅝-15¼	15¼	16	—	—	—	—
Two years	—	—	15-15¼	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rate nominally three years 14¾-14⅞ per cent; four years 14½-14¾ per cent; five years 14⅝-14⅝ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16 5/32-16¼ per cent; four-month trade bills 16⅝ per cent.

Approximate selling rates for one-month Treasury bills 15¾-15⅞ per cent; two-months 15 29/32-16 per cent; three-months 16-16 3/32 per cent. Approximate selling rates for one-month bank bills 17⅜ per cent; two-months 16 25/32 per cent; three-months 16½ per cent; one-month trade bills 17⅝ per cent; two-months 17¼ per cent; and three-months 16⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1475 per cent.

CURRENCY MOVEMENTS

May 6	Bank of England Index	Morgan Guaranty Changes%
Sterling	73.0	−32.7
U.S. dollar	86.1	−7.1
Canadian dollar	80.6	−17.9
Austrian schilling	155.4	+24.4
Belgian franc	114.9	+13.8
Danish kroner	106.0	−4.8
Deutsche mark	154.5	+44.3
Swiss franc	196.4	+79.0
Guilder	124.5	+19.4
French franc	100.6	−6.2
Lira	53.5	−50.7
Yen	123.1	+22.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 10.85-10.95 per cent; three-months 11.05-11.15 per cent; six-months 11.05-11.15 per cent; one year 10.95-11.05 per cent.

May 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short-term	17½-17¾	9¾-10	13-16	10¾-11	3-3½	9⅞-10	12½-12¾	12-14	—	11⅛-11⅝
7 days' notice	17⅝-17⅞	9⅞-10⅛	15-17	10¾-11	3½-4	9⅞-10	12⅝-12⅞	14½-17	10-10¼	11½-11⅝
Month	17⅜-17⅝	11½-11¾	14½-14⅞	10⅞-11⅛	5⅝-5¾	9 11/16-9 13/16	12¾-15	15-16¾	11½-11⅝	12-12¼
Three months	17⅛-17⅜	11⅝-11⅞	13⅝-14	10⅞-11⅛	5⅞-6	9 11/16-9 13/16	12 13/16-13 1/16	15½-16¼	11½-11⅝	12⅜-12⅝
Six months	15⅞-16⅛	11⅝-11⅞	12⅜-12¾	10¾-11	5½-5 11/16	9 7/16-9 9/16	12⅞-13⅛	15½-16½	11⅜-11½	11¾-11⅞
One year	14¾-15	11⅜-11⅝	11¾-12⅛	10⅝-10⅞	5¾-5⅞	9-9⅛	13½-13⅝	16-17	11 1/16-11 3/16	10 15/16-11 1/16

Long-term Eurodollar two years 11¼-11½ per cent; three years 11¼-11½ per cent; four years 11¼-11½ per cent; five years 11¼-11½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3918	+1.51	+0.69	±1.53
Danish Krone	7.72336	7.85740	+1.74	+0.92	±1.64
German D-Mark	2.48208	2.50796	+1.04	+0.22	±1.125
French Franc	5.84700	5.86630	+0.33	−0.49	±1.3557
Dutch Guilder	2.74362	2.76572	+0.81	−0.01	±1.512
Irish Punt	0.668201	0.675479	+1.09	+0.27	±1.668
Italian Lira	1157.79	1180.69	+1.98	+1.67	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 9	£	$		£ Note Rates
Argentina Peso	4074-4094	1790-1797	Austria	29.20-29.50
Australia Dollar	2.0170-2.0210	0.8890-0.8895	Belgium	67.40-68.00
Brazil Cruzeiro	110.60-111.60	48.86-49.05	Denmark	12.83-12.90
Finland Markka	8.42-8.43	3.7150-3.7170	France	9.56-9.62
Greek Drachma	96.944-99.207	42.40-42.70	Germany	4.10-4.12½
Hong Kong Dollar	11.13¼-11.15¾	4.9070-4.9110	Italy	1895-1950
Iran Rial	n/a	n/a	Japan	528-533
Kuwait Dinar(KD)	0.610-0.620	0.2703-0.2704	Netherlands	4.51½-4.54½
Luxembourg Frc.	66.03-66.13	29.13-29.15	Norway	11.20-11.27
Malaysia Dollar	4.9850-4.9975	2.1970-1.1990	Portugal	107-112
New Zealand Dlr.	2.3340-2.3390	1.0290-1.0300	Spain	157-164¼
Saudi Arab. Riyal	7.53-7.63	3.3290-3.3305	Sweden	9.54-9.69
Singapore Dollar	4.9100-4.9215	2.1640-2.1660	Switzerland	3.78½-3.81½
Sth. African Rand	1.7970-1.7980	0.7925-0.7930	United States	2.273-2.282
U.A.E. Dirham	8.42-8.52	3.7215-3.7230	Yugoslavia	46-50

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 9/5/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	150.00	47.6	77-81	6.7	4.3	−9.5	−15 to −9	0.0	9.3	5.6	+15.1
British Land 12pc Cv. 2002	7.71	264.00	333.3	80-97	4.6	2.5	0.9	−0 to 6	0.0	88.2	33.7	+32.8
Hanson Trust 6½pc Cv. 88-93	3.02	79.00	57.1	76-81	8.3	9.4	−4.7	−10 to 1	6.2	3.1	−3.7	+0.9
Slough Estates 10pc Cv. 87-90	5.50	236.00	1875	78-86	4.3		−1.7	−6 to 2	35.5	44.1	3.6	+5.2
Slough Estates 8pc Cv. 91-94	24.88	119.00	78.0	80-91	6.9	6.0	19.2	15 to 22	25.9	50.9	25.0	+5.8
Ultramar 7pc net R.Cv.Pfd.	12.59	3.52	0.5	76-81	2.9		−1.9	−5 to 6	11.3	9.5	−0.5	+1.4
Wilkinson Match 10pc Cv. 84-98	11.10	72.00	40.0	76-83	14.6	15.1	46.3	23 to 46	20.9	29.2	17.0	−29.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Oils highlight drab end-Account session in markets
Gilts quiet too but new tap manages small premium

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 28	May 8	May 9	May 19
May 12	May 28	May 30	June 9

* "New time" dealings may take place from 9 am two business days earlier.

A drab final session of the two-week trading Account was highlighted yesterday by another bout of brisk activity in the oil sector where end-Account selling was more than offset by new-time and late demand from speculators optimistic of the sectors' prospects for the three-week Account beginning in Monday. Offshore and onshore exploration issues overshadowed the recognised oil producers among which Ultramar, in particular, turned easier following disappointment with the first-quarter statement.

A general lack of incentive was noted for leading industrials, although there were isolated exceptions. These included Dunlop which moved against the trend on renewed Far Eastern buying. Losses, however, were generally slight and the tone hardened after the official close when business is permitted without penalty for the next Account. As a result, the FT 30-share index, which was showing a fall of 2.2 at 2 pm, closed with a net loss of only 0.2 at 436.5. This represents a decline on the week of 7.1.

A more cautious Gilt-edged market continued to reflect on the Chancellor's ruling out any early fall in Minimum Lending Rate. The debut of the new medium tap, Exchequer 13½ per cent 1992, was uninspiring, as expected, but the £20-paid stock, after opening at a discount of ⅛, managed to close at 1/16 premium. Other stocks in this and the longer area were unable to hold early improvements ranging to ¼ and ended on an indecisive note.

Low-coupon issues featured the shorts where specialist interest centred on Exchequer 3 per cent 1984 ahead of it being quoted clean on Tuesday. The stock rose ⅜ to 72⅜ and other low-coupon issues were pulled higher in sympathy; Treasury 3 per cent 1982 closed ¼ up at 88⅜. The U.S. Federal Reserve Board chairman's view that the recent trend of falling interest rates in America may not continue unless inflation is checked made little impression on late sentiment.

A lethargic week in the Traded Option market ended with 336 contracts completed to bring the daily average over the period to 354.

Banks easier

The trend in the banking sector was to lower levels, largely because of end-account influences. Midland cheapened 3 to 332p as did NatWest, to 322p, while Barclays gave up a penny to 427p. Alexanders lost 6 to 230p in Discounts where Union relinquished 5 to 410p. Ahead of the preliminary statements due next Monday and Thursday respectively, King and Shaxson, 70p, and Cater Ryder, 320p, held the overnight levels. Among merchant banks, Hambros shed 6 to 393p on profit-taking. Still unsettled by the Chancellor's warning of no premature lowering of interest rates, Hire Purchases drifted lower again with Provident Financial a further 3 off at 112p.

Composite Insurances edged forward in places, Royals firming 3 to 345p and General Accident 2 to 262p; first-quarter figures are due next Wednesday and Thursday respectively.

Quiet conditions persisted in the Brewery sector. Among the few scattered changes, Vaux closed a shade cheaper at 151p after the half-yearly results. Elsewhere, Distillers met further selling on the possibility of short-time working and gave up 4 more to 198p.

Movements in the Building sector rarely exceeded a few pence either way, but Redland recorded an above average fall of 5 at 160p. Among Cements, Blue Circle, 316p, and Tunnel B, 208p, both eased a couple of pence, but Rugby Portland put on 1½ to 73½p. Most Timbers gave modest ground on end-account offerings with Magnet and Southerns 5 off at 165p in a thin market and James Latham 3 cheaper at 137p. Recent speculative favourite Mallinson-Denny, however, firmed 1½ to 69p on favourable Press comment, while Montague L. Meyer shaded to 101p before reverting to the overnight level of 102p. Dealings in Southern Constructions were suspended at 4p; the company has requested that a receiver be appointed.

Kitchen Queen fall

ICI remained a relatively neglected market and held at the overnight level of 378p. Elsewhere in Chemicals, small selling clipped 3 from Arrow, 88p, and British Benzol, 42p, while falls of a couple of pence were pesetd against Yorkshire, 50p, and Catalin, 72p. Revertex, a volatile market since Yule Catto acquired a near-30 per cent stake in the company at 40p per share, came back 2 to 43p as bid hopes receded on the company's declared wish to remain independent.

Nervously sold of late, Kitchen Queen succumbed again yesterday and retreated from an early level of 17p to finish 2 down on balance at 13p following the Board's revelation that losses incurred by the group in the first half of the year will be in thet region of £2m and that its retailing operations are to be sold to Mr. Stephen Boler for £2.1m against a book value of £3 3m. Elsewhere in Stores, Moss Bros. fell 10 to 255p on the uninspiring annual results, while Lee Cooper softened 2 to 262p ahead of next Thursday's preliminary figures. Polly Peck, however, rose 4 afresh for a rise on the week of 7 at 41p on renewed speculative buying on asset injection hopes. The leaders closed mixed with British Home a couple of pence dearer at 284p ahead of Monday's results and House of Fraser 3 better at 147p on revived hopes that Lonrho will bid for the shares in the group it does not already own. End-Account profit-taking in the wake of Tuesday's better-than-expected results saw Mothercare touch 236p before closing a net 6 down on balance at 242p. Gussies A lost 4 to 392p and Woolworth cheapened a fraction to 61½p; the latter's first-quarter figures are due next Tuesday. In Shoes, profit-taking in the absence of bid developments left Stylo 10 off at 155p. Garnar Scotblair edged forward a penny to 80 following the results.

Philips Lamp firmed 5 to 420p in response to the first quarter profits, but other Electrical leaders trended lower, GEC easing 4 to 371 and Racal 2 to 243p. Elsewhere, renewed selling in an unwilling market left Brocks 5 cheaper at 25p. Ferranti remained on offer and gave up a like amount to 500p, while Unitech drifted off a few pence more to 290p.

An extremely quiet day's trading in hte Engineering leaders left prices with small mixed movements at the close. Tubes edged up 4 to 24p and John Brown 2 to 50½p, but losses of a few pence were marked against Hawker, 174p, and Vickers, 117p. Elsewhere, comment on the interim results left RHP down 4 at 99p, but Wadkin continued to benefit from an investment recommendation and rose 5 more to 100p. Weeks Associates fell 2 to 12p on the substantial fall in annual profits while, still reflecting the poor interim results, Whessoe eased a similar amount to 48p for a fall of 16 on the week.

Ladbroke firm

Sugar issues benefited from the higher commodity price with British Sugar adding 5 to 186p; Tate and Lyle, 128p, and W. Berisford, 149p, both hardened 2. Still reflecting the excellent annual results, J. Sainsbury rose 5 to 325p for a gain on the week at 27. A Press mention stimulated fresh speculative demand for Associated Fisheries which put on 3 to 75p. Clifford's Dairies A were quoted at 89p ex the rights issue, up a penny; hopes that Unigate would come back with an increased offer for the company stmiulated a fair amount of interest in Clifford's nil paid A shares which opened at 22p premium, touched 20p premium, and closed at 24p premium.

News that the company is resuming itstakeover bid for U.S. tobacco and drinks group Liggett clipped a couple of pence from Grand Metropolitan, 124p. Elsewhere in Hotels and Caterers, Ladbroke encountered buyers and firmed 6 to 150p.

Miscellaneous industrial leaders were in a lackadaisical mood yesterday, drifting gently lower on end-Account influences. Bowater gave up 3 to 174p and Glaxo softened a couple of pence to 194p. Elsewhere, GR Holdings hardened a penny to 199p, after 202p, following the interim figures and Pauls and Whites edged forward 2 to 119p in response to an investment recommendation. Still reflecting the chairman's encouraging statement, Bestobell rose 3 more to 248p, while renewed speculative interest lifted Provincial Laundries a fraction to 46p and the 12 per cent Convertible 1986-88 10 to 450p. LK Industrial Investments, on the other hand, declined 2 making a two-day relapse of 6 to 17p on further consideration of the annual deficit and final dividend omission. Sothebys encountered profit-taking and eased 7 to 433p, while European Ferries cheapened 1½ to 130p; the latter's preliminary results are due next Thursday.

Aggressive Far-Eastern buyling, rumours that Sime Darby had switched its takeover intentions from Guthrie to Dunlop prompted a gain of 4 to 67p in the latter. Elsewhere in Motors, General Motors units shed 7 to to 93p on news of further lay-offs following the U.S. motor industry sales slump.

Percy Bilton dropped 17 to a two-day fall of 28 to 218p following an asset revaluation that failed to match estimates. The Chancellor's warning of no premature lowering of Minimum Lending Rate continued to dampen enthusiasm for other Properties, but losses were only marginal. Land Securities, preliminary results May 19, slipped to 335p before reverting to the overnight level of 337p, while MEPC finished a penny off at 214p: Peachey eased 3 to 145p, while Haslemere Estates and Great Portland Estates relinquished a couple of pence apiece to 326p and 242p respectively.

Oils active

A good two-way business developed in Oils, but buyers gradually gained the upper hand. Exploration issues were particularly active and closed with some further useful gains. Tricentrol closed 6 dearer at 350p following first-quarter figures a little above expectations, but first-quarter figures from Ultramar, down 12 at 668p, proved slightly disappointing. Among the leaders, BP drifted off to close 8 cheaper at 324p, while Shell shaded a few pence to 350p. By way of contrast, Aran advanced 18 to 370p and Berkeley 12 to 177p, while Century, 143p, and Clyde, 547p, recorded gains of 14 and 32 respectively. On the other hand, Siebens, a strong market of late, ended 25 down at 815p, following news of the proposed arrangements with Dow Chemicals and the proposed share split.

Movements in Trusts were usually limited to a few pence either way. Dealings restarted in Westpool at 140p compared with the suspension price of 106p following details of the proposed deal with Lord Rayne; London Merchant Securities hanrdened 3 more to 128p. Among Financials, further selling in a difficult market left Centreway down 11 more at 124p.

Among Shippings, Lyle closed a few pence dearer at 232p after acqu'sition news, while revived speculative demand left Hall Bros. 7 dearer at 175p, after 178p.

Selection Trust up

Features in mining markets were confined to London Fanancials and Tins as drab trading conditions continued for the fourth day running.

Selection Trust were the strongest of the London Financials as speculative interest apparently linked to vague rumours of new mining developments chimed with added interest in the group's North Sea oil and gas hold'ngs. Gaining the benefit of a spillover of interest from the active Oils market, the shares rose 21 to 645p.

Other London Financials were quietly steady. Although Charter were unchanged at 144p. Rio Tinto-Zinc and Consolidated Gold Fields gained 2 to 360p and 462p respectively. Gold Fields recovered some poise after falls earlier in the account.

Tins ended a firm week with gains throughout the list although trading activity was confined to the early part of the session as London prices were aligned with those of the Far East.

South African Golds were subdued by contrast. Prices had risen in London dealings overnight, but they fell back as the bullion price dropped in New York. Yesterday, the bullion price was easier, closing $4 lower at $512.50 an ounce, and the shares in dollar terms tended to drift.

In sterling terms, however, there were small advances because of changes in the dollar-sterling parity and the Gold Mines Index was up 3.5 at 298.3. Buffelsfontein and Vaal Reefs both closed ¼ higher at £15¼ and £24 respectively.

FINANCIAL TIMES STOCK INDICES

—	May 9	May 8	May 7	May 6	May 2	May 1	A year ago
Government Secs.	67.47	67.54	67.84	68.25	67.70	67.87	73.79
Fixed Interest	67.55	67.44	67.53	67.68	67.42	67.80	76.35
Industrial	436.5	436.7	439.4	444.9	443.6	443.2	552.8
Gold Mines	298.3	294.8	292.3	296.4	297.3	296.4	165.8
Ord. Div. Yield	8.14	8.11	8.05	7.92	7.95	7.97	5.48
Earnings, Yld. % (full)	19.93	19.86	19.61	19.36	19.43	19.47	14.70
P/E Ratio (net) (*)	6.09	6.11	6.19	6.27	6.25	6.23	8.74
Total bargains	19,798	19,593	18,442	20,945	17,794	18,066	—
Equity turnover £m	—	92.51	85.14	87.66	96.98	102.27	91.33
Equity bargains total	—	12,918	13,315	13,701	13,278	18,031	18,594

10 am 435.6. 11 am 434.8. Noon 435.3. 1 pm 434.7. 2 pm 434.5. 3 pm 434.6.

Latest Index 01-246 8026.

* Nil=5.70.

Basis 100 Govt. Secs. 15/10/26. Fixed. Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (19/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (28/10/71)

S.E. ACTIVITY

	May 9	May 8
—Daily		
Gilt Edged	102.7	118.0
Industrials	116.7	97.7
Speculative	29.7	23.6
Totals	81.4	73.4
5-day Avge.		
Gilt Edged	120.4	127.0
Industrials	109.5	108.6
Speculative	30.6	30.5
Totals	80.0	81.2

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	390	7	2	20	37	—	—	338p
BP	420	3	15	12	—	—	—	"
Com. Union	140	7	25	13	—	17	—	135p
Cons. Gold	420	58	5	74	—	84	—	460p
Cons. Gold	460	32	—	56	2	66	—	"
Cons. Gold	500	14	2	34	3	40	6	"
Cons. Gold	550	5	—	16	1	—	—	"
Courtaulds	60	10½	—	10½	5	13	—	68p
Courtaulds	70	3½	20	5½	—	7½	—	"
GEC	390	16	12	32	—	48	1	372p
ICI	420	6	—	12	1	—	—	377p
Land Secs.	300	44	2	58	—	69	—	331p
Land Secs.	330	22	34	56	3	50	—	"
Land Secs.	360	7½	1	18	15	34	—	"
Marks & Sp.	90	5	49	8½	—	12	—	88p
Shell	360	20	1	34	—	42	—	349p
Shell	390	8	4	19	—	—	—	"
Totals			172		67		7	
		May		August		November		
Imperial Gp.	80	2	10	5½	—	7	—	80p
Racal Elec.	200	45	5	52	—	61	—	244p
Racal Elec.	220	25	10	35	—	46	5	"
Racal Elec.	240	9	—	21	10	33	9	"
RTZ	300	57	5	65	—	—	—	360p
RTZ	330	27	—	43	—	55	3	"
RTZ	360	7	31	25	—	42	1	"
RTZ	420	1	—	6	—	18	1	"
Totals			61		10		19	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	23	20	46	120	175	61
Corpns. Dom. and Foreign Bonds	3	24	39	44	46	174
Industrials	133	236	1,024	662	1,028	3,878
Financial and Prop.	59	68	374	429	374	1,204
Oils	59	69	374	429	374	1,204
Plantations	1	6	19	11	18	77
Mines	78	28	51	193	178	251
Others	41	43	55	200	162	191
Totals	360	434	1,625	1,732	2,035	5,908

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (57)

BRITISH FUNDS (8)
Treas. 3½pc '77-80 Treas. 3pc 1982
Fund. 5½pc '78-80 Exch 3pc 1983

INDUSTRIALS (7)
Bestobell Provincial Laundries
Cawoods Do. 12pc Conv.
Crest Nicholson Russell (A.)
Elec. Ind. Secs.

MOTORS (1)
Flight Refuelling

PROPERTY (1)
Fairview Estates

SHIPPING (1)
Lyle Shipping

TRUSTS (6)
Altifund Inc. Viking Resources
Tor Inv. Cap. London Merchant Defd
Triplevest Cap. Mercantile House

OIL & GAS (10)
Berkeley Exploration LASMO
Century LASMO "Ops."
Clyde Pet. Santos
Edinburgh Secs. Tricentrol
KCA Viking Oil

OVERSEAS TRADERS (1)
Finlay (J.)

MINES (2)
Kamunting Killinghall

NEW LOWS (45)

FOREIGN BONDS (2)
Chinese 4½pc 1898 Chinese 5pc 1912

CANADIANS (1)

Coral Leisure Norton & Wright

MOTORS (5)
Lotus Car Henlys
Alexanders Heron
BSG

SHOES (1)
Newbold & Burton

TEXTILES (1)
Crowther (J.)

OVERSEAS TRADERS (2)
Gill & Duffus Lonrho

RUBBERS (1)
Harrisons Malaysian Estates

MINES (3)
Roan Cons. Sabina
M.I.M.

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Apr. 21	May 3	Jul. 24	Aug. 4
May 6	May 16	Aug. 7	Aug. 18
May 19	Jun. 6	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Stocks traded in for the call included Berkeley Exploration, Coral Leisure, R. P. Martin, Provincial Laundries, Hawley Leisure, Premier Consolidated, Oil Search, Carless Capel, Dunlop, Weir Group, Tricentrol, Wood Hall Trust, House of Fraser and Blue Circle. Premier Consolidated were dealt in for the put while double options were aranged in Boots and Carless Capel.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

FIXED INTEREST PRICE INDICES

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741

Schlesinger International Mngt. Ltd.
41, La Motte St., St. Helier, Jersey. 0534 73588

AM Investments	54.0	57.0	.....	12.72
Far East Fund	97.0	102.0	.....	—
Gilt Fd.	19.6	19.8	.....	13.89
Intl. Fd. (Jersey)	95.0	100.0	.....	3.50
Am Options US$	0.77	0.81	.....	9.26
Am Smaller Cos $ US$	1.03	1.08	.....	—
Intl. Fd. (Lxmbrg) US$	13.14	13.83	.....	—

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co., Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(c)(g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd.

Cay. Sebag Unit Trust Managers (a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Choulartons Fund Managers

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Sixborn Fund Management Limited

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. (y)(c)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or -	Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.55	12.82
79	73½	Alcan 10½pc '89-94	79	.....	13.85	14.70
28½	25	Met. Wtr. 3pc 'B'	26¼	-¼	11.45	13.46
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
90	85½	Do. without Warrants	90	.....	10.46	16.50

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's	P/E
£76½	£56	Algemene Fl.100	£65xa	+½	Q25%	1.9	7.7	7.0
360	290	Allen Harvey £1	350	.....	21.5	—	8.8	—
128	108	Allied Irish	108	.....	h08.09	—	7.3	—
16¼	13	Ansbacher (H.) 5p.	14¾	+¼	—	—	—	—
230	180	Arbuthnot L. £1	228	.....	†10.42	—	6.5	—
360	315	Bk. Ireland £1	315	.....	Q25.0	—	7.7	—
£162	£146	Do. 10pc Conv.	£150	.....	Q10%	—	F6.7	—
*8	5	Bk. Leumi $0.1	6xa	-2	g011.4%	—	1.9	—
120	100	Bk. Leum (UK)£1	120	.....	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	142	-2	Q18c	3.0	6.6	5.0
305	235	Bank Scotland £1	240xd	.....	15.0	5.1	8.9	3.0
£20¼	£16¼	Bankers N.Y.$10	£20¾	.....	Q$3.30	—	7.3	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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هكذا من الأصل

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INSURANCE—Continued

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[illegible]

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TOBACCOS

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RUBBERS AND SISALS

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TEAS

India and Bangladesh

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Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
25	21	Acmex 50c	23	......	—	—	—
24	12	ACM 20c	15	......	—	—	—
86	52½	Bond Corp.	62c	+2	b02.8c	2.2	2.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
235	130	Messina R0.50	188	−2	m010c	♦	3.1

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
160	78½	Anglo-Dominion	145	......	—	—	—
97	58	Barymin	65	+5	—	—	—
16	12	Burma Mines 17½p	15	......	0.62	♦	6.0
502	320	Cons. Murch. 10c.	330	......	M010c	1.8	17.3
585	325	Northgate C$1	345	+10	—	—	—
485	327	R.T.Z.	360	+2	15.0	ф3.3	6.1
33	16	Robert Mines	22	−1	—	—	—
58	26	Sabina Inds. C$1	26	−4	—	—	—
650	420	Tara Exptn. $1	440	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✱ Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	29	......
Bertam	16	−1
Bdg'wtr. Est. 50p	405	......
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	34	......
Finlay Pkg. 5p	18xd	......
Graig Ship. £1	£14	−1
Higsons Brew	83	−2
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	177	......
Pearce (C. H.)	448	+40
Peel Mills	40	......
Sheff. Refrsmt.	100	......
Sindall (Wm.)	185	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£87	+⅛
Nat. 9¾% 84/89	£74½	......
Fin. 13% 97/02	£82⅝	......
Alliance Gas	50	......
Arnott	380	......
Carroll (P.J.)	52	......
Clondalkin	105xd	......
Concrete Prods.	75	......
Heiton (Hldgs.)	48	......
Ins. Corp.	250xd	......
Irish Ropes	60	......
Jacob	31xd	......
T.M.G.	105	−3
Unidare	101	−2

OPTIONS
3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	25	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	28	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr.	9	Brit. Petroleum	98
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	36
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	48	Reed Intnl.	17	Charter Cons.	18
Grand Met.	12	Sears	5½	Cons. Gold	42
G.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	23	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd.	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	6		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 30

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FINANCIAL TIMES

Saturday May 10 1980

MAN OF THE WEEK

Keeper of the Queen's peace

BY JOHN LLOYD

IT WAS wholly in keeping with Sir David McNee's clear antipathy to public exposure that, in a week when the Metropolitan Police could take rare, uncontentious pride in their part in the ending of the Iranian Embassy siege, he should slip away from the cameras and the notebooks, pausing only to direct reporters' attention to PC Trevor Lock.

This was giving credit where credit was due, no doubt: as was the handing over of a limelit international press conference on the police operation to Deputy Assistant Commissioner John Dellow, who commanded it. But there are ways of giving credit while simultaneously sharing in it: unlike Sir Robert Mark, his predecessor, Sir David either has not mastered, or will not master the art.

Sir David, who once elliptically referred to an upbringing in Glasgow in the depression, has instead used the public platforms on which his duty constrains him to appear to emphasise what are in his view the fundamentals of policing: the need for an obvious police presence on the streets, the continuation of trust between community and the force, his worries over increased disaffection by youth and blacks.

The clearest indication of their contrasting characters came in the first half of last year when, a little before the General Election, and two years after his retirement, Sir Robert regained the headlines by likening union/Government relations to "the way in which the National

Sir David McNee
Shy of the public platform

Socialist Workers Party achieved unrestricted control of the German State." Two months after that glimpse of the apocalypse, Sir David told a London audience that by the year 2000 the police service "will still operate within a democratic framework, standing firm within, and part of, the community, on its twin pillars of public confidence and co-operation."

The difference is more than skin deep: but its very palpability obscures the continuity of practice which has prevailed in Sir David's three years of office. Sir Robert was best known for his drive against corruption within the Met: he bequeathed to Sir David a much more reliable force, at least at senior levels, than he found, and Sir David has continued to emphasise, with an equally moral fervour, that venality remains hateful in his sight.

Further, in two lengthy submissions—to the Royal Commission on Criminal Procedure, in August 1978, and to the Commons Select Committee on Home Affairs in February of this year—he has argued for an extension of police powers of arrest, search, questioning and detention, and for tighter legislation on marches, demonstrations and non-protected picketing. In his first annual report, published in 1978, he argued that bail was, in many cases, being granted too easily.

If there has been a constant theme in Sir David's public utterances, it has been his concern over racial problems, and their exploitation by those he sees as extremist elements. This is hardly surprising: in his first full year as Commissioner, he had to police the Grunwick picket, the National Front march through Lewisham (which resulted in 56 injuries to the police alone, and 200 arrests) and the Notting Hill Carnival (which passed off relatively calmly): even now, an investigation continues into the activities of the Special Patrol Group during anti-National Front riots in Southall last May, during which a protestor, Mr. Blair Peach, was killed.

Carter hints at Soviet talks

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Jimmy Carter yesterday raised the possibility of further arms talks with Moscow, insisting that "detent with the Soviet Union remains our goal."

"But there can be no business as usual in the face of aggression," the President said of the Soviet invasion of Afghanistan in his first public speaking engagement outsied Washington since the U.S. diplomats were seized in Tehran last November.

His speech in Philadelphia seemed to set the tone for the initial meeting between Mr. Andrei Gromyko, Soviet Foreign Minister, and Mr. Edmund Muskie, the new Secretary of State, in Vienna next Friday.

This encounter, probably foreshadowing others, will end the break in high-level U.S.-Soviet contacts since Soviet troops marched into Kabul last Christmas.

Mr. Carter also showed he was ready to play a more active part in the Presidential campaign. He plans to go to Ohio at the end of the month, just before that state's primary contest.

The President said the U.S. had to be both strong and accommodating with the Soviet Union.

"The time is fast approaching when we must think beyond Salt 2, to negotiating wider, more comprehensive arrangements, dealing both with additional categories of strategic weapons and with weapons of less than intercontinental range," he said.

Despite legislative hold-ups the Salt 2 treaty, the President's suggestion will be of acute interest to the U.S.'s European allies, particularly in regard to the second category of nuclear weapons which would apply to long-range missiles in Europe.

"In promoting the prospect of . . . peace, we will stay on the steady course to which we have been committed over the last three and a half years," Mr. Carter said.

But he forecfully reiterated his warning in January to Moscow that the U.S. would use its own force if necessary to prevent outside intervention threatening the West's oil lifelines from the Gulf.

The President may have thought this needed repeating, in the light of possible Middle East doubts about the efficacy of U.S. military power after the failed Iran hostage rescue attempt.

He said the Soviet troops in Afghanistan were "consolidating their hold"—a shift from previous intelligence estimates released by the Administration purporting to show what a rough ride the Soviet army was facing from guerrilla resistance.

The stress Mr. Carter put both on Afghanistan and the need for a Palestinian settlement was aimed at reassuring allies that he is no disproportionately preoccupied with Iran and the hostages.

'Heavy' fighting in Afghanistan

THERE HAS been heavy fighting between Soviet troops and Afghan guerrillas for the past 12 days in the Ghazni area south of Kabul, according to reports in New Delhi.

An Indian businessman said fighting was still going on. Soviet tanks and armoured personnel carriers were involved.

He said more than 100 people, including many students, were killed in anti-Soviet demonstrations in Kabul in the two weeks up to last Sunday. He had no word of Ghazni casualties.

Voting changes for Lloyds Bank

BY CHRISTINE MOIR

LLOYDS BANK has bowed to pressure from institutional shareholders and proposes to change the articles of association to give every shareholder one vote per share.

It will write to all shareholders on May 27, announcing the proposals and calling for a special meeting on June 19 to endorse them.

Lloyds' present voting system is based on a 115-year-old article giving every shareholder one vote per share to a maximum of 500 votes.

Sixty per cent of Lloyds' shares are owned by institutions which have become increasingly incensed that the rule dilutes their effective voting power to less than 25 per cent.

Their dissatisfaction came to a head at last year's annual meeting, when the Post Office pension funds demanded a change in the rules to one share one vote.

The board only began arranging for the change when further pressure was applied by a special committee set up by the National Association of Pension Funds.

The changes affect hte company's constitution, se a 75 per cent majority of shareholders who choose to vote will be required.

Lloyds' board says that although "there can be few occasions" where small and large shareholders would be in opposition, it agrees the existing structure gives small shareholders a marginal advantage.

It called in Morgan Grenfell as independent adviser for the small shareholders. The merbank has suggested that fair compensation would be a 5 per cent increase in their equity.

Lloyds therefore proposes to make a one-for-20 scrip issue up to a maximum of 25 shares per shareholder. This will amount to a 5 per cent bonus for small shareholders, but will be insignificant in institutional terms. Special provisions are to be made for multiple beneficial interests held through nominees.

Lloyds' reversal of its voting restrictions, which it admits are "antiquated," is likely to prove an important precedent. The National Association of Pension Funds oppose any voting restrictions. A fortnight ago it published a "lacklist" of 40 companies which issue shares with restrictions without disclosing the fact.

Thatcher 'no' to early interest rates fall

By Ray Perman

THERE WILL be no early reduction in interest rates despite the severe problems of manufacturing industry, Prime Minister Mrs. Margaret Thatcher said last night.

Mrs. Thatcher told a Conservative rally in Perth that it would be tempting for the Government to follow the soft advice of those who would have it move on exchange rates and churn out extra money.

However, as a consequence money would lose its value with ever - accelerating rapidity and hope of a long-term solution to the UK's economic problems would be lost.

The Government's decision, instead, was to keep a tight rein on money and public spending to create the job opportunities of the 1980s and 1990s.

"The tide of excess credit which threatened to swamp us when we first took office is on the ebb. Provided this trend continues, I hope it will not be too long before we can look forward to lower interest rates without any relaxation of our stand against inflation.

"I don't underestimate the difficulties of industry with a strong pound and dear money. Nor do I seek to disguise the fact that progress has been patchy.

"If earnings go on rising much faster than output, the result will be higher unemployment. The gap has got to narrow. But it is no coincidence that, in the wage round now ending, the gap has been widened where the pressures of competition are weakest," she said.

Prior plea for Tory unity, Page 6

President of CBS resigns

BY JOHN MAKINSON IN NEW YORK

MR. JOHN D. BACKE has resigned as president and chief executive of CBS, the U.S. entertainments group, in a move that has shocked Wall Street and the U.S. broadcasting industry.

He will not be replaced as president for the time being, but CBS said "the chief executive function will be exercised by the office of the chairman," consisting of Mr. William Paley, Mr. John R. Purcell, executive vice-president, Mr. Gene F. Jankowski, broadcasting chief, and Mr. Walter R. Yetnikoff, CBS records head.

Mr. Paley, chief executive until a major boardroom reshuffle in 1976, is perhaps the most celebrated media baron in U.S. history. He founded the CBS communications empire more than 50 years ago and has dominated it ever since.

CBS would not comment on why Mr. Backe, aged 47, had decided to step down. Neither Wall Street analysts nor broadcasting executives had any ready explanation yesterday, although there was speculation that the authoritarian Mr. Paley had played a leading role in prompting Mr. Backe's departure.

Since the 1976 boardroom changes, CBS has performed increasingly well. Much of the credit has been ascribed to Mr. Backe, whose standing in Wall Street has never been higher.

CBS rose from third to first position in last season's television ratings, has made great progress in turning round the record division, and is well placed to exploit technological advances in the 1980s.

There are close parallels with Mr. Backe's resignation and the CBS shake-up late in 1976 which forced the resignation of the president, Dr. Arthur R. Taylor, and elevated Mr. Backe to the chair of president and chief executive.

In both cases, CBS presidents had been successfully remoulding the company, prompting one analyst to comment: "If you want to stay as president of CBS, you should keep the corporation in trouble."

Day of action Continued from Page 1

Express Newspapers, which obtained the injunction against leaders of NATSOPA and three other print unios—who are complying—is not expected to make any move to have the order enforced until after the weekend, in the hope that NATSOPA will have a change of heart.

But there were no signs of that yesterday. Mr. Teddy O'Brien, national assistant secretary and brother of Mr. Owen O'Brien, general secretary, said last night: "They'll have to get the Officsial Solicitor out again. If they put Owen in jail, there will be 150 days of action until he is released."

The Official Solicitor, who is on the Attorney-General's staff, was used to extract five dockers sent to Pentonville prison in 1972 for flouting a court order.

Mr. Victor Matthews, chairman of Express Newspapers, defended himself against union accusations that his company's legal action was politically motivated.

"That's completely untrue," he said. "I am not a political animal." He criticised Fleet Street colleagues for what he called talking tough about suing the unions, then "disappearing" when the moment came.

"They changed their minds. That's why the country is in the state it's in. I didn't want to get involved in all this—I'd much sooner be on the golf course myself.

"I had reason to believe that other people in Fleet Street would support me. In the event they all cried off. I am very disappointed with them."

The NATSOPA circular to chapels sent yesterday is signed by Mr. Owen O'Brien. It says: "Whilst urging support, there was no instruction, and therefore no disciplinary action would have been taken in the event of members not accepting the advice tendered."

Members were not being coerced by the executive, officers or branch committes.

The union's executive council had been unable to comply with the court's decision, it says. "The rights of our members to demonstrate in a democratic society have been hard fought for and dearly won." The union felt it had the right voluntarily to protest against the Employment Bill — "this pernicious piece of legislation."

Weather

UK TODAY

MAINLY DRY with some sunshine. Rain in some western parts. Frost in central and eastern areas.

S.W. England, S. Wales
Sunny intervals, with rain later. Max. 14C (57F).

N.E., N.W. Scotland, Central Highlands, Orkney, Shetland, N. Ireland
Becoming cloudy with rain. Max. 12C (50F).

Outlook: Mostly dry in the east with sunny periods. Cloudy in the west with some thundery rain. Warm generally.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	17	63	Lisbon	F	18	64
Algiers	F	24	73	Locarno	F	16	61
Amsdm.	S	11	52	London	F	11	52
Athens	S	22	72	Luxmbg.	C	7	45
Bahrein	S	34	93	Luxor	S	39	102
Barclna.	F	18	64	Madrid	F	19	66
Beirut	S	21	70	Majorca	F	22	72
Belfast	S	15	59	Malaga	S	21	70
Belgrd.	C	19	66	Malta	S	23	73
Berlin	F	12	54	Mchstr.	F	13	55
Biarritz	S	17	63	Melbne.	C	18	64
Bmghm.	F	11	52	Milan	S	17	63
Blackp'l	S	15	59	M'ntreal	C	10	50
Bordx	F	16	61	Moscow	C	17	63
Boulgn.	C	9	48	Munich	R	8	46
Bristol	F	13	55	Nairobi	S	23	73
Brussels	S	10	50	Naples	F	18	64
Budpst.	R	19	66	Nwcstl	S	10	50
B. Aires	R	21	69	N. York	S	13	56
Cairo	S	32	90	Nice	F	17	63
Cardiff	F	12	54	Nicosia	S	20	68
Casbca.	S	20	68	Oporto	S	16	61
Cape T.	S	17	63	Oslo	S	11	52
Cologne	S	11	52	Paris	C	9	48
Cpnhgn.	S	10	50	Prague	R	6	43
Corfu	S	21	70	Reykjvk.	Sn	0	32
Dublin	F	12	54	Rhodes	S	21	70
Dbrvnk.	F	18	64	Rio J'o	S	28	82
Ednbgh.	C	13	55	Rome	F	19	66
Faro	S	22	72	Salzb'rg	R	11	52
Florence	F	20	68	Singapr.	R	26	79
Frankf't	C	8	46	Stckhm.	F	9	48
Funchal	F	21	70	Strasbg.	C	9	48
Geneva	C	10	50	Sydney	C	20	68
Gibrltr.	S	19	66	Tangier	S	24	75
Glasgow	C	11	52	Tehran	C	20	68
G'rnsey	S	12	54	Tel Aviv	S	21	70
Helsinki	C	9	48	Tenerife	C	19	66
H. Kong	C	24	75	Tokyo	R	14	59
Innsbrk	R	12	54	Toronto	C	8	47
Invrnss.	C	11	52	Tunis	F	24	75
I.o.Man	F	11	52	Valencia	F	22	72
Istanbul	S	20	68	Venice	R	18	64
Jersey	F	13	55	Vienna	C	16	61
Jo'burg	S	13	55	Warsaw	F	21	70
L. Plms	F	22	72	Zurich	R	8	46

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Grand Met may withhold J & B

BY IAN RODGER

GRAND METROPOLITAN will stop supplying J and B Scotch whisky to its U.S. distributor Paddington Corporation if control of Paddington passes from Liggett, the U.S. tobacco and drinks group, to Standard Brands another U.S. food group.

In the latest move in its three-week battle to buy Liggett in the face of vigorous opposition from Liggett directors, Grand Met notified Liggett yesterday that acquisition of Paddington by Standard Brands would be "prejudicial" to J and B. Standard already distributes another major Scotch brand, Invver House, in the U.S.

If Standard acquires control of Paddington, its J and B franchise "will thereupon be terminated pursuant to the terms of such franchise agreement," Grand Met said.

While precise information on sales and protfis of J & B is not published, it is recognised as the largest-selling Scotch whisky in the U.S. Its withdrawal from Paddington would have a substantial impact on Liggett's protfis and, perhaps, on Standard's interest in pursuing its announced plan to make a combined cash and shares takeover bid for Liggett worth approximately $530m (£198m).

Grand Met has not revealed what plans it has for maintaining distribution of J & B in the U.S. if it is withdrawn from Paddington. Nor has it said how it will continue to distribute Baileys Original Irish Cream liquer and Crofts ports and sherries. It said these would be withdrawn from another Liggett subsidiary, Austin Nichols, which was sold to Pernod Ricard, the French group, last Monday.

Grand Met would say only that the group had contingency plans to maintain distribution of these products.

Grand Met also announced yesterday that having cleared the last of several legal hurdles set up by Liggett, it was extending its $415m offer to buy all Liggett shares from May 15 to May 29. Its offer of $50 a share for all Liggett common shares compares with a $65 offer for up to 45 per cent of Liggett common shares that is part of Standard's proposed bid.

In New York Grand Met said this did not necessarily mean that the company would not raise its bid if a higher competing offer were actually made. It is understood the group believes it has several options open and probably will not react to Standard's proposal unless a formal bid is made.

Grand Met also seeks an injunction in New York Federal Court against acquisition of Paddington by Standard. Alternatively, it seeks a declaration by the court that the acquisition would violate the terms of the J and B franchise and would result in termination of it. The suit also alleges that the proposed deal between Liggett and Standard Brands would violate U.S. anti-trust laws.

THE LEX COLUMN

Oil gushes and gas bubbles

Index fell 0.2 to 436.5

More than doubled first quarter earnings were reported by two of Britain's largest independent oil companies yesterday, but the only thing similar about their income growth is its energy base. Tricentrol, shares of which reached a high for the year at 350p, managed to make the most of its 9.6 per cent stake in the North Sea Thistle Field—this supplied three-quarters of group profits.

Ultramar, which calls itself "The British Oil Company," surged up from £12.2m to £31.5m pre-tax in the first quarter on earnings which were almost 100 per cent foreign-based. Around 40 per cent of Ultramar's pre-tax income came from the sale of Indonesian gas to Japanese customers (price increases helped to double this contribution) and most of the rest from North America.

But Ultramar itself admits that it is not satisfied with its Eastern Canadian refining activities. With sophisticated facilities, the company now finds itself so crude-hungry that it has become a net purchaser of oil. Meanwhile, Tricentrol, a company which aspires to be international but in terms of earnings is still overwhelmingly British, is going to the U.S. to seek new shareholders. Some 12.5m new ordinary shares are to be floated in New York and Toronto for possibly around £30m.

This circuitous route to fund-raising is certain to alienate some UK shareholders fearing dilution. But the company says it is firmly committed to a North American listing, which is linked to acquisiton plans there.

Lloyds Bank

A year of determined arm-twisting by institutional investors has persuaded Lloyds Bank to scrap its archaic rule under which only the first 500 shares in any holding are entitled to a vote. Lloyds seems to have capitulated with good grace, but then if it had clung obstinately to the old arrangement it might have found it quite hard to fix upthe underwriting next time it wanted a rights issue.

To compensate for the loss of preferential status enjoyed by small portfolios, Lloyds is quite correctly offering a scrip—one-for-20 on the first 500 shares of any holding, a maximum of 2 5new shares per shareholder. The dilution will be minimal—on the spread of shareholdings at the end of 1979, Lloyds would have to issue only 1.4m new shares, 0.8 per cent of present issued capital. But these terms represent a generous exchange for rights that most small shareholders can never have known they possessed: the directors of Lloyds must have bent over backwards to safeguard the interests of the individual in their new, irreproachably democratic bank.

Kitchen Queen

First half losses at Kitchen Queen turn out to be £2m rather than the £0.3m forecast in January, th edifference being accounted for partly by a £0.5m stock write-down in the manufacturing division and partly by much worse than expected losses from the retailing side which has now been sold off for £2.1m cash. Although the company's bankers are said to be rallying round, a capital reconstruction is required.

The reason why Kitchen Queen needs more equity is that of the £7.25m shareholders' funds shown in the last annual report £2m has been eliminated by the reported losses and another £1.2m by the sale of the shops at under book value. Moreover if the £1.8m goodwill arising from last November's Moben acquisition is written off, as planned, net worth would be down to some £2.2m not counting any further second half losses.

The new capital will come from the conversion to some form of equity of the £1m of unsecured loan notes held by Mr. L. D. Morris and Mr. J. A. Bentham the vendors of Moben who are now running Kitchen Queen. A complication is that they already held 28 per cent of the equity, picked up from the former chairman Mr. Neville Johnson, and if their holdings rise to over 30 per cent the Takeover Panel might consider that they should make a mandatory bid for the rest of the equity. In any case it is going to be tricky to fix a price for any conversion. With the shares at only 13p, £1m is equivalent to more than a quarter of the existing equity. But then, unsecured loan notes in a financially stretched company can hardly be taken as being worth face value.

Pilkington

Pilkington has had to clear yet another obstacle in its long battle to purchase a controlling interest in the German glassmaker Flachglas from BSN-Gervais-Danone. BSN's stake consisted of a small direct holding, and a larger block of shares held through Dahlbusch, a 58.5 per cent subsidiary which, like Flachglas itself, is a publicly quoted company. The complication is that Flachglas owns 25 per cent of Dahlbusch, a crossholding which must be eliminated under a new German law.

Pilkington could not be happy to see a large outside shareholder in Dahlbusch, so it has agreed to buy the holding itself, for £28m. This cash will stay in the group balance sheet now that Flachglas becomes a subsidiary (Pilkington's holding works out at 62 per cent, rather than 55 per cent as originally intended), but there is a further drain on the parent company's funds. Pilkington's £62m rights issue now looks very timely: a pro-forma group balance sheet shows debt below 20 per cent of shareholders' funds.

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